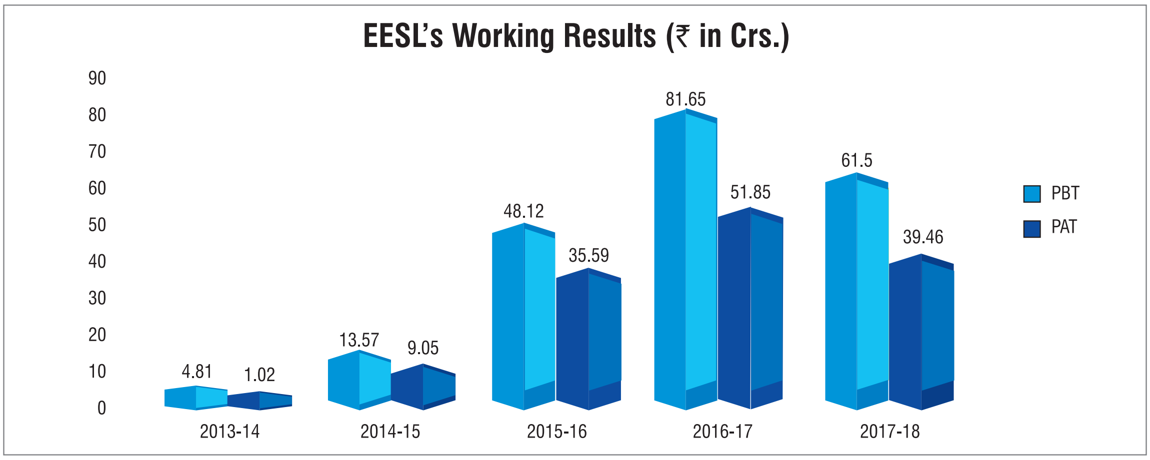
ANNUAL REPORT 2017-18

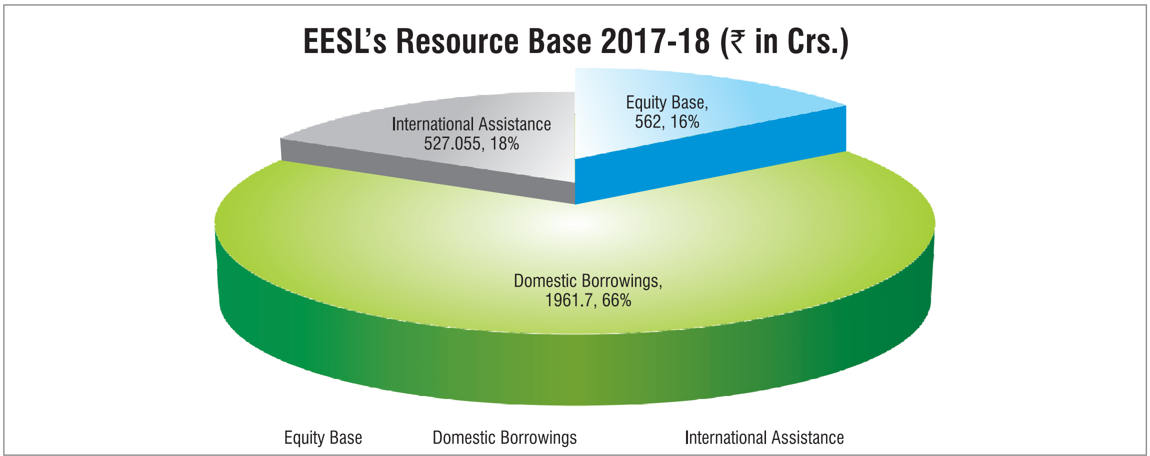
Creating an Energy Effcient India

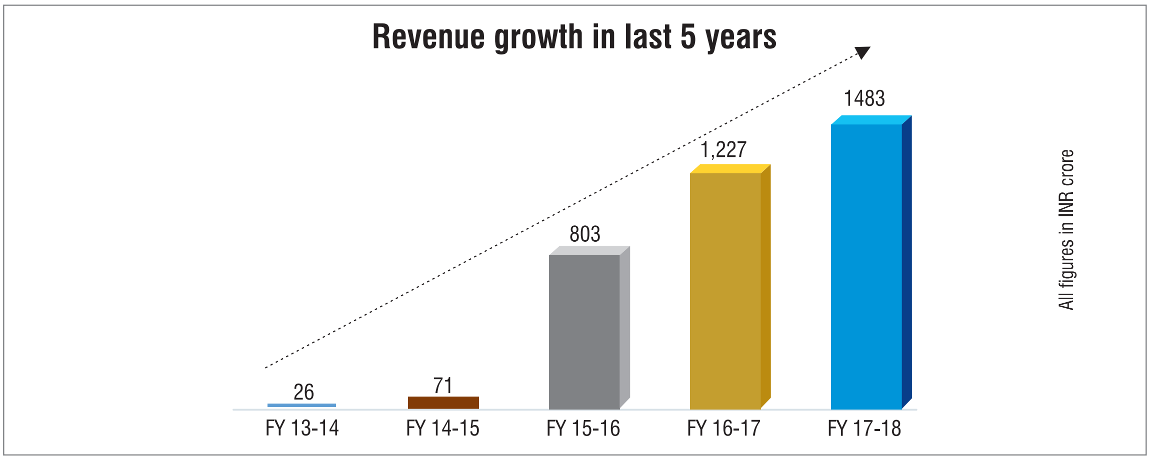
CONTENTS

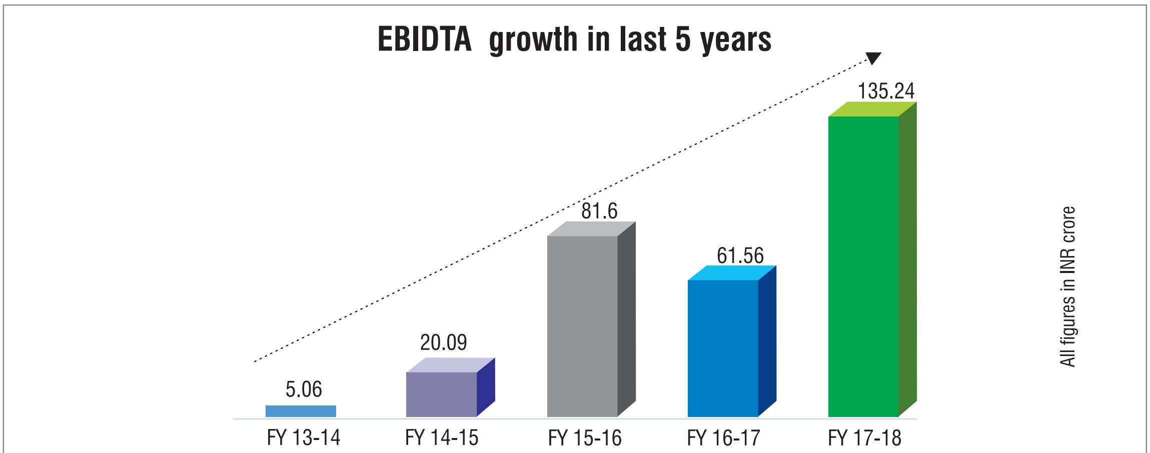
EESL won the Forbes India Leadership Award for the Best Public Sector Company for its Transformational Leadership & Excellence.

Global Presence


EESL's Working Results (₹ in Crs.)
90
80
70
60
50
40
30
20
10
0
4.81
1.02
13.57
9.05
48.12
35.59
81.65
51.85
61.5
39.46
2013-14
2014-15
2015-16
2016-17
2017-18
PBT
PAT


EESL's Resource Base 2017-18 (₹ in Crs.)
International Assistance
527.055, 18%
Equity Base,
562, 16%
Domestic Borrowings,
1961.7, 66%
Equity Base
Domestic Borrowings
International Assistance


Revenue growth in last 5 years
26
71
803
1,227
1483
FY 13-14
FY 14-15
FY 15-16
FY 16-17
FY 17-18
All figures in INR crore


EBIDTA growth in last 5 years
5.06
20.09
81.6
61.56
135.24
FY 13-14
FY 14-15
FY 15-16
FY 16-17
FY 17-18
All figures in INR crore

COMPANY INFORMATION

Chairman :	Shri Rajeev Sharma (w.e.f. 5th February, 2018) Shri K. K. Sharma (upto 31st October, 2017)
Functional Directors :	Shri Saurabh Kumar, Managing Director Smt. Renu Narang, Director (Finance) (w.e.f. 01st March, 2018)
Nominee Directors :	Shri Raj Pal Shri Abhay Bakre (w.e.f. 08th May, 2018) Shri Mohit Bhargava (w.e.f. 05th February, 2018) Shri Sanjiv Garg (w.e.f 10th December, 2018) Shri V. K. Singh (upto 14th November, 2018) Shri Pankaj Kumar (upto 15th March, 2018) Shri Avkash Saxena (upto 05th February, 2018)
Independent Directors:	Shri Seethapathy Chander (w.e.f. 05th February, 2018) Smt. Gauri Trivedi (w.e.f. 05th February, 2018)
Chief Financial Officer :	Smt. Renu Narang (w.e.f. 06th April, 2018) Shri S. Gopal (upto 05th April, 2018)
Company Secretary :	Smt. Pooja Shukla
CIN :	U40200DL2009PLC196789
Registered Office:	4th Floor, Sewa Bhawan, R. K. Puram, New Delhi - 110066
Corporate Office :	5th & 6th Floor, Core - 3, SCOPE Complex, Lodhi Road, New Delhi – 110003 1st Floor, PDIL Bhawan, A-14, Udhyog Marg, Sector 1, Noida, Uttar Pradesh 201301
Internal Auditors :	M/s Jain & Malhotra, Chartered Acountants, 42-B, Hanuman Lane, Near Hanuman Mandir, Connaught Place, New Delhi-110001
Statutory Auditors :	M/s V P G S & Co., Chartered Accountants, E-149, Opp. Sainik Vihar Gate No.1, Rishi Nagar, Rani Bagh, New Delhi-110034 (For Financial Year 2017 - 18) M/s K.K. Soni & Co., Chartered Accountants, 130, (FF), Sarojini Market, New Delhi - 110023 (For Financial Year 2018 - 19)
Bankers :	Axis Bank Canara Bank ICICI Bank HDFC Bank IDFC Bank Indusind Bank State Bank of India Union Bank Vijaya Bank Yes Bank
Stock Exchange :	BSE Limited
Depositories :	National Securities Deository Limited, 4th Floor, A Wing, Trade World, Kamla Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013 Central Deposotory Services Limited, Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Fort, Mumbai - 4000001
Registrar and Share Transfer Agent :	Karvy Fintech Private Limited (Formerly Karvy Computershare Private Limited), Karvy Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032
Debenture Trustee :	Axis Trustee Services Limited, 2nd Floor E, Axis House, Bombay Dyeing Mills Compound, Pandurng Budhkar Marg, Worli, Mumbai - 400025

NOTICE OF 9TH ANNUAL GENERAL MEETING

Notice is hereby given that 9th Annual General Meeting of the Shareholders of Energy Efficiency Services Limited will be held on Friday, 28th day of December, 2018 at 01:00 P.M. at Power Finance Corporation Ltd. 'URJANIDHI', 1, Barakhamba Lane, Connaught Place, New Delhi -110001, to transact the following businesses:-

Ordinary Business:-

1. To consider and adopt:
   (a) the Audited Standalone Financial Statements of the Company for the financial year ended on 31st March 2018, the reports of Board of Directors and Auditors thereon; and
   (b) the Audited Consolidated Financial Statements of the Company for the financial year ended on 31st March 2018 and the report of the Auditors thereon.
2. To confirm payment of interim dividend and declare final dividend for the year 2017-18.
3. To fix remuneration of Statutory Auditors for the year 2018-19.
4. To appoint a Director in place of Shri Raj Pal (DIN: 02491831), who retires by rotation and being eligible, offers himself for re - appointment.
5. To appoint a Director in place of Shri Saurabh Kumar (DIN: 06576793), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:-

6. To consider appointment of Shri Mohit Bhargava (DIN: 07941760) as Nominee Director and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to Section 152 and other applicable provisions (including any modification or re - enactment thereof), if any, of the Companies Act, 2013 and rules made thereunder, **Shri Mohit Bhargava (DIN: 07941760)** who was, pursuant to NTPC Limited's Letter no. 01:SEC:EESL:JV:1 dated 15th Jan, 2018, appointed as an Additional Director in the Company w.e.f. 5th February, 2018, whose term of office expires at this Annual General Meeting, and in respect of whom the Company has received a notice in writing signifying his intention to be a candidate for the office of Director in the Company, his appointment recommended by Nomination and Remuneration Committee, be and is hereby appointed as Nominee Director in the Company, liable to retire by rotation.

RESOLVED FURTHER THAT Managing Director, Director (Finance) and/or Company Secretary be and are hereby severally authorised to do all such acts, deeds and things as may be required to give effect to above resolution."

7. To consider appointment of Shri Rajeev Sharma (DIN: 00973413) as Nominee Director and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to Section 152 and other applicable provisions (including any modification or re - enactment thereof), if any, of the Companies Act, 2013 and rules made thereunder, **Shri Rajeev Sharma (DIN: 00973413)** who was nominated by Power Finance Corporation Limited as its nominee on the Board of EESL vide letter no. I:05:194:I:CS dated 24th Jan, 2018 in place of Shri Avkash Saxena, ED (SEA), PFC and subsequently appointed by the Board as Additional Director and Chairman of EESL w.e.f. 5th February, 2018, whose term of office expires at this Annual General Meeting, and in respect of whom the Company has received a notice in writing signifying his intention to be a candidate for the office of Director in the Company, his appointment recommended by Nomination and Remuneration Committee, be and is hereby appointed as Nominee Director and Chairman of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT Managing Director, Director (Finance) and/or Company Secretary be and are hereby severally authorised to do all such acts, deeds and things as may be required to give effect to above resolution."

8. To consider appointment of Shri Abhay Bakre (DIN: 08104259) as Nominee Director and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to Section 152 and other applicable provisions (including any modification or re - enactment thereof), if any, of the Companies Act, 2013 and rules made thereunder, **Shri Abhay Bakre (DIN: 08104259)**, who was nominated by Ministry of Power as its nominee on the Board of EESL vide Letter No. 13/5/2008-EC dated 15th March, 2018 and subsequently, appointed by the Board as an Additional Director w.e.f. 8th May, 2018, whose term of office expires at this Annual General Meeting, and in respect of whom the Company has received a notice in writing signifying his intention to be a candidate for the office of Director in the Company, his appointment recommended by Nomination and Remuneration Committee, be and is hereby appointed as Nominee Director in the Company, liable to retire by rotation.

RESOLVED FURTHER THAT Managing Director, Director (Finance) and/or Company Secretary be and are hereby severally authorised to do all such acts, deeds and things as may be required to give effect to above resolution."

9. To consider appointment of Shri Sanjiv Garg (DIN: 00891755) as Nominee Director and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

"**RESOLVED THAT** pursuant to Section 152 and other applicable provisions (including any modification or re - enactment thereof), if any, of the Companies Act, 2013 and rules made thereunder, **Shri Sanjiv Garg (DIN: 00891755)**, who was nominated by REC Limited as its nominee on the Board of EESL vide Letter No. SEC-1/151/2018/3028 dated 14th November, 2018 and subsequently, appointed by the Board as an Additional Director w.e.f. 10th December, 2018, whose term of office expires at this Annual General Meeting, and in respect of whom the Company has received a notice in writing signifying his intention to be a candidate for the office of Director in the Company, be and is hereby appointed as Nominee Director in the Company, liable to retire by rotation.

RESOLVED FURTHER THAT Managing Director, Director (Finance) and/or Company Secretary be and are hereby severally authorised to do all such acts, deeds and things as may be required to give effect to above resolution."

10. To consider alteration of Articles of Association of the Company and if thought fit, to pass with or without modification, the following resolution as Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of Companies Act, 2013 (including any statutory modification(s) or re - enactment thereof, for the time being in force) and any other applicable laws / rules under any statute for the time being in force, following Articles of Association of the company be and are hereby altered as under:

a. Article 102(iii) - MD shall be selected and appointed by the Board

Subject to the provisions of the Act, the Managing Director shall be selected by the Search & Selection Committee comprising of Secretary (Power), CMD of the Parties and DG, BEE appointed by the Board on such terms and conditions as the recruitment rules approved by the Board, to manage the affairs and business of the Company.

The MD shall, subject to control and supervision of the Board, exercise such powers as may be determined by the Board by way of specific authorization.

b. Article 102(iv) - Other Functional Directors

Subject to the provisions of the Act and Clause 7.3 of Joint Venture and Supplementary Agreement dated 23rd October, 2018, the other Functional Directors of the Company except Managing Director shall be selected by Selection Committee comprising of Chairman, EESL; Managing Director, EESL; One representative each from promoter companies, Ministry of Power (Government of India), Bureau of Energy Efficiency, from the promoter companies for period upto 5 years or through Open Recruitment in case no suitable candidate could be selected from the Promoter Companies, on such terms and conditions as may be approved by the Board from time to time.

c. Article 103 - First Directors

Subject to the provisions of the Companies Act, 2013 the number of Directors of the Company shall not be less than four and more than thirteen that includes nominee directors, part - time directors, Independent directors & functional directors. The first Directors of the Company shall be :-

I) Shri R. S. Sharma, Chairman, NTPC

2) Shri Rajeev Sharma, Director(Projects), PFC

3) Shri Rama Raman, ED(T&D), REC

4) Shri N. S. Sodha, GM, POWERGRID

5) Shri Devendra Singh, IAS, Joint Secretary, Ministry of Power

6) Shri Rakesh Jain, Joint Secretary(F&A), Ministry of Power

One Director each shall be nominated by each of the Parties, who shall also determine the period for which their respective nominees shall hold office & functional Directors except MD, shall be nominated by each parties as per clause 102(iv) of AOA.

Apart from Directors nominated by the Parties, two part - time Directors if nominated by MoP GOI, who shall be inducted on the Board. All the directors shall be appointed by the Board, subject to the provision of Companies Act, 2013 or as amended from time to time.

There are 3 sanctioned posts of functional directors i.e. Managing Director, Director (Finance) and Director (Projects & Business Development). The Board shall have power to sanction 1 additional post of Functional Director out of total 13 directors, as and when required. The Board shall be responsible for overall functioning of the company. The Business of the company shall always be carried on in accordance with the policies laid down by the Board from time to time.

d. Article 107 - Nominee Directors

The Parties shall be entitled to nominate one nominee director each and functional directors as per clause 102 (iv) of the AOA not below the level of General Manager of the Parties on the Board of JVC provided that the shareholding of each such Party does not fall below 10% of the paid up share capital of the JVC. Apart from the Directors nominated by the Parties, two part - time Directors and independent directors will be nominated by MoP, GOI, one of whom would be from BEE. All the directors shall be non - executive except functional directors as may be appointed by the Board from time to time.

RESOLVED FURTHER THAT Managing Director, Director (Finance) and / or Company Secretary be and are hereby authorised to do all necessary acts, deeds and things, which may be required to give effect to this resolution."

By the order of Board of Directors
For Energy Efficiency Services Limited

Pooja Shukla
Company Secretary
M.No.: ACS 18008

Place: New Delhi
Date: 28.12.2018

Notes:-

1. Pursuant to Section 139 of Companies Act, 2013, Statutory Auditors of the company are appointed by the Comptroller and Auditor General of India (C & AG) and in terms of Section 142, their remuneration has to be fixed by the Company in Annual General Meeting or in such manner as the Company in AGM may determine. C & AG in exercise of power conferred under Section 139 of Companies Act, 2013 has appointed M/s K K Soni & Co., Chartered Accountants (Firm Registration No. 000947N), New Delhi as Statutory Auditor of the Company. The members may kindly authorise the Board to fix appropriate remuneration of Statutory Auditors for Financial Year 2018 - 19 after taking into consideration the volume of work and prevailing inflation.

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and a proxy need not be a member of the company. Proxies in order to be effective, must be received by the company, duly filled, stamped and signed, at its Registered Office or at its Administrative Office not less than 48 hours before the Meeting. Blank Proxy form is enclosed.

3. The relevant Explanatory Statement pursuant to Section 102 of Companies Act, 2013 in respect of the Special Business in the notice is annexed there to.

4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.

5. All relevant documents referred to in the Notice and accompanying statement shall be available for inspection at the Registered / Corporate Office of the Company between 11.00 A.M. to 2.00 P.M. on all working days and will also be available for inspection at the meeting.

6. The Notice of the AGM is being sent by electronic mode to all the Members, whose email addresses are available with the Company, unless any Member has requested for a physical copy of the same.

7. Route Map: Annexed

Explanatory Statement as required under Section 102 of the Companies Act, 2013

Item No. 6

Shri Mohit Bhargava, General Manager (CP), was nominated as Nominee Director by NTPC Limited vide letter no. 01:SEC:EESL:JV:1 dated 15th January, 2018 in place of Shri K. K. Sharma and was accordingly, appointed as an Additional Director w.e.f 5th February, 2018 in terms of the provisions of Companies Act, 2013 (the Act) and Articles of Association of the company, to hold office up to this Annual General Meeting. The company has received a notice signifying his candidature as a director pursuant to Section 160 of the Act and Nomination and Remuneration Committee of the company has recommended his appointment in its meeting held on 10th December, 2018.

His brief resume, inter - alia, giving his experience, shareholding in the Company, other Directorships and other particulars, forms part of this notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Shri Mohit Bhargava, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution for your approval as an Ordinary Resolution.

Item No. 7

Shri Rajeev Sharma, Chairman and Managing Director, Power Finance Corporation was nominated as a Director on the board of EESL vide its letter no. I:05:194:I:CS dated 24th Jan, 2018 in place of Shri Avkash Saxena. The letter also recommended Shri Rajeev Sharma as a part time chairman of EESL. Accordingly, in terms of the provisions of Companies Act, 2013 (the Act) and Articles of Association of the company, Shri Rajeev Sharma was appointed as Additional Director on the Board of EESL w.e.f 5th February, 2018 till the conclusion of next Annual General Meeting of the company. The company has received a notice signifying his candidature as a director pursuant to Section 160 of the Act and Nomination and Remuneration Committee of the company has recommended his appointment in its meeting held on 10th December, 2018.

His brief resume, inter - alia, giving his experience, shareholding in the Company, other Directorships and other particulars, forms part of this notice.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives, except Shri Rajeev Sharma, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution for your approval as an Ordinary Resolution.

Item No. 8

Shri Abhay Bakre, Director General, BEE was nominated as Government Nominee Director on the Board of EESL by Ministry of Power vide letter no. 13/5/2008-EC dated 15th March 2018 in place of Shri Pankaj Kumar. Accordingly, in terms of the provisions of Companies Act, 2013 (the Act) and Articles of Association of the company, Shri Abhay Bakre was appointed as Additional Director of the company w.e.f. 8th May, 2018 till the conclusion of next Annual General Meeting of the company. The company has received a notice signifying his candidature as a director pursuant to Section 160 of the Act and Nomination and Remuneration Committee of the company has recommended his appointment in its meeting held on 10th December, 2018.

His brief resume, inter - alia, giving his experience, shareholding in the Company, other Directorships and other particulars, forms part of this notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Shri Abhay Bakre, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution for your approval as an Ordinary Resolution.

Item No. 9

REC Limited has vide letter no. SEC-1/151/2018/3028 dated 14th November, 2018 nominated Shri Sanjiv Garg as its Nominee Director in place of Shri V. K. Singh. Accordingly, in terms of the provisions of Companies Act, 2013 (the Act) and Articles of Association of the company, Shri Sanjiv Garg was appointed as Additional Director of the company w.e.f. 10th December, 2018 till the conclusion of next Annual General Meeting of the company. The company has received a notice signifying his candidature as a director pursuant to Section 160 of the Act.

His brief resume, inter - alia, giving his experience, shareholding in the Company, other Directorships and other particulars, forms part of this notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Shri Sanjiv Garg, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution for your approval as an Ordinary Resolution.

Item No. 10

With the approval of Board of Directors in its 61st Meeting held on 16th February, 2018, Supplementary Agreement No. 4 was executed on 23rd October, 2018 among EESL and the promoter companies. Consequently, in order to align Articles of Association of the Company with the Supplementary Agreement No. 4, following articles of Articles of Association of the Company are required to be altered:-

Existing	Proposed
Article 102(iii) Subject to the provisions of the Act, the Managing Director shall be selected by the Selection Committee comprising of Secretary (Power), CMD of the Parties and DG, BEE and appointed by the Board on such terms and conditions as the recruitment rules approved by the Board may specify to manage the affairs and business of the Company. The MD shall, subject to control and supervision of the Board, exercise such powers as may be determined by the Board by way of specific authorization.	**Article 102(iii)** Subject to the provisions of the Act, the Managing Director shall be selected by the **Search & Selection Committee** comprising of Secretary (Power), CMD of the Parties and DG, BEE appointed by the Board on such terms and conditions as the recruitment rules approved by the Board, to manage the affairs and business of the Company. The MD shall, subject to control and supervision of the Board, exercise such powers as may be determined by the Board by way of specific authorization.

Article 102(iv) Subject to the provisions of the Act and Clause 7.3 of Joint Venture and Supplementary Agreement dated 29.08.2017, Director(Finance) and Director (Projects & Business Development) of the Company shall be selected by selection committee comprising of Chairman, EESL; Managing Director, EESL; One representative each from promoter companies, Ministry of Power (Government of India), Bureau of Energy Efficiency, from the promoter companies for period upto 5 years on terms and conditions as approved by the Board from time to time.	**Article 102(iv)** Subject to the provisions of the Act and Clause 7.3 of Joint Venture and **Supplementary Agreement dated 23rd October, 2018, the other Functional Directors of the Company except Managing Director** shall be selected by Selection Committee comprising of Chairman, EESL; Managing Director, EESL; One representative each from promoter companies, Ministry of Power (Government of India), Bureau of Energy Efficiency, from the promoter companies for period upto 5 years **or through Open Recruitment in case no suitable candidate could be selected from the Promoter Companies,** on **such** terms and conditions as **may be** approved by the Board from time to time.
Article 103 Subject to the provisions of the Companies Act, 2013 the number the Directors of the Company shall not be less than four and more than thirteen that includes nominee directors, part-time directors, Independent directors & functional directors. The first Directors of the Company shall be :- l) Shri R. S. Sharma, Chairman, NTPC 2) Shri Rajeev Sharma, Director(Projects), PFC 3) Shri Rama Raman, ED(T&D), REC 4) Shri N. S. Sodha, GM, POWERGRID 5) Shri Devendra Singh, IAS, Joint Secretary, Ministry of Power 6) Shri Rakesh Jain, Joint Secretary(F&A), Ministry of Power One Director each shall be nominated by each of the Parties, who shall also determine the period for which their respective nominees shall hold office & functional Directors except MD, shall be nominated by each parties as per clause 102(iv) of AOA. Apart from Directors nominated by the Parties, two part-time Directors if nominated by MoP GOI, who shall be inducted on the Board. All the directors shall be appointed by the Board, subject to the provision of Companies Act, 2013 or as amended from time to time.	**Article 103** Subject to the provisions of the Companies Act, 2013 the number of Directors of the Company shall not be less than four and more than thirteen that includes nominee directors, part - time directors, Independent directors & functional directors. The first Directors of the Company shall be :- l) Shri R. S. Sharma, Chairman, NTPC 2) Shri Rajeev Sharma, Director(Projects), PFC 3) Shri Rama Raman, ED(T&D), REC 4) Shri N. S. Sodha, GM, POWERGRID 5) Shri Devendra Singh, IAS, Joint Secretary, Ministry of Power 6) Shri Rakesh Jain, Joint Secretary(F&A), Ministry of Power One Director each shall be nominated by each of the Parties, who shall also determine the period for which their respective nominees shall hold office & functional Directors except MD, shall be nominated by each parties as per clause 102(iv) of AOA. Apart from Directors nominated by the Parties, two part-time Directors if nominated by MoP GOI, who shall be inducted on the Board. All the directors shall be appointed by the Board, subject to the provision of Companies Act, 2013 or as amended from time to time. **There are 3 sanctioned posts of functional directors i.e. Managing Director, Director (Finance) and Director (Projects & Business Development). The Board shall have power to sanction 1 additional post of Functional Director out of total 13 directors, as and when required. The Board shall be responsible for overall functioning of the company. The Business of the JVC shall always be carried on in accordance with the policies laid down by the Board from time to time.**
Article 107 The Parties shall be entitled to nominate one nominee director each and functional directors as per clause 102 (iv) of the AOA not below the level of General Manager of the Parties on the Board of JVC provided that the shareholding of each such Party does not fall below 10% of the paid up share capital of the JVC. Apart from the Directors nominated by the Parties, two part - time Directors and independent directors will be nominated by MoP, GOI, one of whom would be from BEE. All the directors shall be non - executive except MD, Director (Finance) & Director (Project & Business Development) who shall be fulltime Directors as may be appointed by the Board from time to time.	**Article 107** The Parties shall be entitled to nominate one nominee director each and functional directors as per clause 102 (iv) of the AOA not below the level of General Manager of the Parties on the Board of JVC provided that the shareholding of each such Party does not fall below 10% of the paid up share capital of the JVC. Apart from the Directors nominated by the Parties, two part - time Directors and independent directors will be nominated by MoP, GOI, one of whom would be from BEE. **All the directors shall be non - executive except functional directors** as may be appointed by the Board from time to time.

In terms of the provisions of Section 14 of Companies Act, 2013, alteration in Articles of Association of a company is carried out with the approval of shareholders of the company by way of Special Resolution passed in a general meeting.

None of the Directors and / or Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution.

The Board recommends the resolution for your approval as Special Resolution.

By the order of Board of Directors
For Energy Efficiency Services Limited

Pooja Shukla
Company Secretary
M.No.: ACS 18008

Place: New Delhi
Date: 28.12.2018

ENERGY EFFICIENCY SERVICES LIMITED

(A JOINT VENTURE COMPANY OF PSUs OF MINISTRY OF POWER, GOVT OF INDIA)
Corporate Office: 5th & 6th Floor, Core - III, SCOPE Complex, Lodhi Road, New Delhi - 110003
Registered Office: - 4th Floor, Sewa Bhawan, R.K.Puram, New Delhi
CIN:- U40200DL2009PLC196789

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

PROXY FORM

(Form no. MGT-11)

Name: .... **Folio No. ....**

Registered Address: .... **No. of Shares held -...........Shares**

....

I, being the member(s) of .... shares of the above named company, hereby appoint:

1.	Name of the proxy			
	Registered address		Signature	
	E-mail ID			
Or failing him				

2.	Name of the proxy			
	Registered address		Signature	
	E-mail ID			

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 9th Annual General Meeting of the company, to be held on ....at .....A.M/P.M. at .... and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	For	Against
Ordinary Business			
1.	To consider and adopt: (a) the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2018, the reports of the Board of Directors and Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2018 and the report of the Auditors thereon.		
2.	To confirm payment of interim dividend and declare final dividend for the year 2017-18.		
3.	To fix remuneration of Statutory Auditors for the year 2018-19.		
4.	To appoint a Director in place of Shri Raj Pal (DIN: 02491831), who retires by rotation and being eligible, offers himself for re - appointment.		
5.	To appoint a Director in place of Shri Saurabh Kumar (DIN: 06576793), who retires by rotation and being eligible, offers himself for re - appointment.		
Special Business			
6.	To consider appointment of Shri Mohit Bhargava (DIN: 07941760) as Nominee Director.		
7.	To consider appointment of Shri Rajeev Sharma (DIN: 00973413) as Nominee Director.		
8.	To consider appointment of Shri Abhay Bakre (DIN: 08104259) as Nominee Director.		
9.	To consider appointment of Shri Sanjiv Garg (DIN: 00891755) as Nominee Director.		
10.	To consider alteration of Articles of Association of the Company.		

Signed this............day of ....20.....
Signature of Shareholders ____________________
Signature of proxy holder(s)

Affix Revenue Stamp of ₹ 1/0

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the company.
3. Please put a √ in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate

Brief Resume of the Directors seeking Appointment / Re - appointment:

Name	DOB / Age	Date of appointment	Qualification	Experience	Shareholding in the company	Number of Board Meetings attended during the year	Other Directorships
Shri Saurabh Kumar	14th December, 1967 / 50 years	07/05/2013	Electrical Engineer from Indian Institute of Technology (IIT) Kanpur with a Masters in Public Policy from National Graduate Institute of Policy Studies, Tokyo, Japan	He has rich experience of working in various capacities in Indian Income Tax Administration, Budget and Finance in the Ministry of Power. He was Secretary, BEE during 2007-2010. He also worked with UNEP, Bangkok for the last 2 years and was handling environmental issues in Asia - Pacific region.	Nil	9	a. EESL EnergyPro Assets Limited, b. EPAL Holdings Limited, United Kingdom c. Edina Acquisitions Limited, d. Edina Power Services Limited, Ireland
Shri Raj Pal	22nd April, 1961 / 57 years	14/07/2016	Masters & M. Phil in Economics and Diploma in Development Studies from Institute of Developing Economics, Tokyo, Japan	He has an experience of about 25 years working in different Ministries of Government of India like Ministry of Finance, Planning Commission, Ministry of Industry, Ministry of Labour etc. He has also worked as Adviser, Economic Regulation in Telephone Regulatory Authority of India. Currently, he is Joint Secretary In charge for, Energy Conservation, Policy & Planning and Training & Research & Coordination division.	Nil	9	a. NEEPCO b. THDC India Limited
Shri Mohit Bhargava	2nd February, 1964 / 54 years	05/02/2018	Electrical Engineer by qualification and has undergone Leadership training at Harvard Business School and S P Jain Institute in Singapore.	He has a rich experience of over 30 years in commissioning of power plants, maintenance activities, procurement and planning. He has also overseen the development of the company's long term Corporate Plans involving setting the annual targets, preparing and pushing through the various strategic and growth initiatives.	Nil	2	a. Meja Urja Nigam Private Limited
Shri Rajeev Sharma	1st June, 1960 / 58 years	05/02/2018	B.Tech (Electrical) from G B Pant University and Masters' Degree in Engineering from IIT Roorkee and MBA from FMS, Delhi University	He has more than 32 years of varied power sector experience. He has more than 20 years' experience of power sector policy making, initiating & implementing reform measures and project implementation at premier organizations like Central Electricity Authority (CEA), Ministry of Power (MoP) and Power Grid. He is considered the architect of Government's flagship schemes like Deen Dayal Upadhyaya Gram Jyoti Yojana, Rajiv Gandhi Grameen Vidyutikaran Yojana and Restructured Accelerated Power Development and Reforms Programme (R-APDRP). Further, he has more than 12 years' experience of financing power sector and implementing key power sector reforms, which includes almost 8 years of Board level experience at leading Navratna Companies i.e. Power Finance Corporation Limited and REC Limited.	Nil	2	a. Power Finance Corporation Limited b. PFC Green Energy Limited c. PFC Consulting Limited d. PFC Capital Advisory Services Limited

Brief Resume of the Directors seeking Appointment / Re - appointment:

Name	DOB / Age	Date of appointment	Qualification	Experience	Shareholding in the company	Number of Board Meetings attended during the year	Other Directorships
Shri Abhay Bakre	25th July, 1966 / 52 years	08/05/2018	B.E. (Electrical Engg.) from Devi Ahilya University, Indore in 1988, M.Tech (Electrical Engg.) from IIT Kharagpur in January 1990 and Certified Energy Manager (From BEE)	He has experience of working in several Railway projects including Delhi Metro & Kolkata Metro extension projects. He has also taken up nationwide media campaign through PCRA and other oil companies to generate awareness among consumers on adoption of simple, fuel saving measures in day - to - day life. Before joining BEE, he has worked as Executive Director in the newly created Environment Directorate of Ministry of Railways. He was the nodal officer for developing INDC for the Railways.	Nil	Nil	Nil
Shri Sanjiv Garg	6th March, 1960, 58 years	10/12/2018	Member of Institute of Chartered Accountants of India and holds a bachelor's degree in science from Agra University	He has rich and diversified experience in the field of power financing sector of 30 years. He has worked in various capacities in Power Finance Corporation and REC Ltd. Presently, he is working as Executive Director (Finance) in REC Ltd. And looking after loan, recovery, ALM and establishment function of Finance.	Nil	Nil	a. Shree Maheshwar Hydel Power Corporation Limited b. Teesta Urja Limited c. Hiranmaye Energy Limited (formerly known as India Power Corporation (Haldia) Limited) d. REC Power Distribution Company Limited

DIRECTORS' REPORT

To
The Members,
Energy Efficiency Services Limited

Your Directors are pleased to present 9th Annual Report on business and operations of the company along with Audited Financial Statement for the financial year ended on 31st March, 2018.

Revenue from operations for the financial year 2017 - 18 is ₹ 1355.94 crore and total revenue for the period is ₹ 1410.70 crore. Net profit of the Company in 2017 - 18 is ₹ 39.46 crore.

A. FINANCIAL PERFORMANCE

1.1 Financial Highlights (Standalone):

Highlights of performance of the Company for the financial year 2017 - 18 are given as under with comparative position of previous year's performance:

(₹ in Lacs)

Particulars	31st March, 2018	31st March, 2017
Paid up Share capital	46200.00	46200.00
Total Revenue (including Other Income)	141070.30	122718.40
Profit Before Depreciation & Taxes	19477.94	13708.78
Less: Depreciation	13327.71	5543.57
Profit/(Loss) Before Tax	6150.23	8165.21
Less: Prior Period Adjustments (Net)	0	0
Less: Provision for Taxation -Current Year -Earlier years -Deferred Tax credit	 1606.52 421.40 176.06	 3110.27 (5.44) (125.26)
Profit/(Loss) after Tax	3946.24	5185.64
Add : Other comprehensive income / (expense)	(7.85)	(4.35)
Total Comprehensive income for the year	3938.39	5181.29

1.2 Transfer to free Reserves and Dividend

An amount of ₹ 60.53 crore was transferred to free reserves of the company.

a. The Board of Directors recommend final dividend of ₹ 0.24 per share amounting to ₹ 11.03 crores (28.01% of PAT) for the financial year 2017 - 18 and Dividend Distribution Tax of ₹ 2.27 crore is payable thereon.

b. The Board of Directors declared an interim dividend of ₹ 0.28 per share amounting to ₹ 12.98 crore (32.97% of PAT) during the financial year 2017 - 18 and Dividend Distribution Tax of ₹ 2.64 crore was paid thereon.

c. The total amount of dividend for the year is ₹ 24.01 crore (60.97% of PAT).

1.3 Share Capital

A joint venture agreement (JVA) among the promoter companies was signed on 19th November, 2009. EESL was incorporated on 10th December, 2009. Initial paid up capital of the Company was ₹ 2.5 crore which was subscribed by the Parties in the proportion of 25% each. During the financial year ended on 31st March 2018, in accordance with clause 4.2.2 of JVA and Companies Act, 2013, the Company has issued 31,22,04,350 Equity Shares of ₹ 10 each on rights basis to its shareholders i.e. NTPC, PFC, REC and PGCIL in the proportion of their shareholding in its 62nd Board Meeting held on 27th March, 2018. NTPC, PFC and PGCIL subscribed the shares. However, REC has not subscribed the offered shares. Accordingly, 21,32,04,350 Equity Shares of ₹10 each were allotted to NTPC Limited, Power Finance Corporation Limited and Power Grid Corporation of India Limited in 63rd Board Meeting held on 8th May, 2018. As on 31st March, 2018, paid up share capital of the Company was ₹ 462 crore divided into 46,20,00,000 equity shares of ₹ 10 each.

In addition to the same, Authorised Share Capital of the company was increased from ₹ 1500 crore divided into 150,00,00,000 equity shares of ₹ 10 each to ₹ 3500 crore divided into 350,00,00,000 equity shares of ₹ 10 each. Therefore, as on date, shareholding pattern of the company is as under:

S. No.	Name of Shareholders	No. of Shares Held @ ₹ 10 each	% of holding
1.	NTPC Limited and its Nominee	24,55,00,000	36.36
2.	Power Finance Corporation Limited and its Nominee	24,55,00,000	36.36
3.	REC Limited and its Nominee	14,65,00,000	21.70
4.	Power Grid Corporation of India Limited and its Nominee	3,77,04,350	5.58
	Total	**67,52,04,350**	**100**

Considering that the shareholding of Power Grid Corporation of India Limited stands below 10%, PGCIL does not have the right to nominate director on the Board of EESL, as provided in clause 7.3 of the JVA.

1.4 Net Worth and Earning per Share

Your Company's net worth as on 31st march, 2018 was ₹ 644.43 crore as against ₹ 555.34 crore in the previous year. EPS of the Company for the year ended 31st March 2018 stands at ₹ 0.85 in comparison to ₹ 1.17 for the financial year ended 31st March 2017.

1.5 Resource Mobilization

The Company mobilized ₹ 142.56 crore from Kreditanstalt für Wiederaufbau (KfW) and Agence française de développement (AFD) and Asian Development Bank (ADB). The amount outstanding as on 31st March, 2018 is ₹ 524.79 crore.

EESL has issued Unsecured, Redeemable, Taxable, Non - Cumulative, Non - Convertible Bonds amounting to ₹ 775 crores in the financial year 2017-18 which are listed on BSE Limited.

The details of outstanding bonds issued amounting ₹ 1275 crore as on 31.03.2018 are as under:

	Bond Series - I			Bond Series - II	Bond Series - III	Bond Series - IV
	STRPP A	STRPP B	STRPP C			
Securities Description	Secured, Redeemable, Taxable, Non - Cumulative, Non - Convertible Bonds	Secured, Redeemable, Taxable, Non-Cumulative, Non-Convertible Bonds	Secured, Redeemable, Taxable, Non-Cumulative, Non-Convertible Bonds	Unsecured, Redeemable, Taxable, Non-Cumulative, Non-Convertible Bonds	Unsecured, Redeemable, Taxable, Non-Cumulative, Non-Convertible Bonds	Unsecured, Redeemable, Taxable, Non - Cumulative, Non-Convertible Bonds
Mode of Issue	Private Placement basis	Private Placement basis	Private Placement basis	Private Placement basis	Private Placement basis	Private Placement basis
No. of Bonds	1250	1250	1250	4500	2000	1250
ISIN	INE688V07017	INE688V07025	INE688V07033	INE688V08015	INE688V08023	INE688V08031
Face Value / Issue Price	₹ 10,00,000/-	₹ 10,00,000/-	₹ 20,00,000/-	₹ 10,00,000/-	₹ 10,00,000/-	₹ 10,00,000/-
Total Amount raised	₹ 125 cr.	₹ 125 cr.	₹ 250 cr.	₹ 450 cr.	₹ 200 cr.	₹ 125 cr.
Date of Issue	20.09.2016	20.09.2016	20.09.2016	18.07.2017	10.01.2018	29.01.2018
Coupon Rate	8.07%	8.07%	8.07%	7.80%	8.15%	8.29%
Credit Rating	CARE - AA ICRA - AA	CARE - AA ICRA - AA	CARE - AA ICRA - AA	CARE - AA ICRA - AA	CARE - AA ICRA - AA	CARE - AA ICRA - AA

1.6 Cash Credit/ Short-Term Facility

As on 31st March, 2018, Company has availed Short Term Loan amounting to ₹ 635 crore.

B. OPERATIONAL HIGHLIGHTS

2. NATIONAL PROGRAMME

2.1 UJALA

Hon'ble Prime Minister launched Unnat Jyoti By Affordable LEDs For All (UJALA) programme on 5th January, 2015 to provide LED bulbs to domestic consumers aiming to replace 77 crore incandescent bulbs with LED bulbs by March, 2019. UJALA programme target energy efficiency in lighting as it offers enormous opportunity to save energy. EESL is implementing world's largest non - subsidy based LED lighting programme and has evolved a service model where it works with electricity distribution companies (DISCOMs) through a benefit sharing approach. The procurement price of LED has dropped significantly due to aggregation of demand from ₹ 310 (January 2014) to ₹ 39.15 (March 2018). Till 31st March, 2018 over 29.46 crore LED bulbs, 16.57 lakh Energy Efficient Fans and 58.28 lakh LED Tube lights have been distributed under the UJALA programme. This has resulted in estimated annual energy savings of about 38.75 billion units. The programme has been able to engage with common man in a significant scale and so far, more than 75 million consumers in all 36 states and Union Territories have taken the benefit of using these LED bulbs. Information about the UJALA programme is disseminated through a website www.ujala.gov.in which monitors real time progress of the UJALA scheme.

2.2 STREET LIGHTING NATIONAL PROGRAM (SLNP)

Hon'ble Prime Minister launched Street Lighting National Programme (SLNP) on 5th January, 2015 to replace 1.34 crore conventional street lights with smart and energy efficient LED street lights by March, 2019. EESL replaces the conventional street lights with LEDs at its own cost (without any need for municipalities to invest) and the consequent reduction in energy and maintenance cost of the municipality is used to repay EESL over a period of time. The prices of LED street lights have also reduced (reckoned at rupees per watt of LED given that there are different wattages) by more than 35%. Till 31st March 2018, 54.50 lakh LED Street lights have been installed which resulted in estimated annual energy saving of 3.66 billion units. This is the largest installation of LED street lights anywhere in the world. The programme has been enrolled in 941 Urban Local Bodies for the installation of LED street lights out of which LED street lights installation work in 504 Urban Local Bodies has been completed. Information about the SLNP programme is disseminated through a website www.slnp.eeslindia.org which monitors real time progress of the SLNP scheme. The installation of LED Street Lights is done along with Central Control and Monitoring System (CCMS), a first of its kind technology being used to monitor and control LED lighting system of civic bodies which helps in automatic identification of failures, real-time control and monitoring, etc.

2.3 AGRICULTURE DEMAND SIDE MANAGEMENT (AgDSM)

EESL is implementing the largest Agricultural Demand Side Management (AgDSM) Programme to distribute BEE 5 - star energy efficient agricultural pumps to ensure a minimum of 30% reduction in energy consumption with smart control panels which can be remotely operated, to enhance the ease of operation of pumps by the farmers. The programme was launched on 7th April, 2016 from Vijayawada in the state of Andhra Pradesh. The AgDSM programme aims to replace 21 million inefficient electrified pump sets in India with BEE star rated pump sets by providing highly efficient BEE 5 - star rated pump sets to farmers and recover the cost by leveraging the reduction of State Government subsidy over a period of 5 - 10 years. EESL is focusing on Agriculture intensive states i.e. Andhra Pradesh, Uttar Pradesh, Maharashtra, Gujarat, Haryana, Jammu & Kashmir, Madhya Pradesh, Punjab, Karnataka, Jharkhand and Rajasthan in Phase - 1 and rest of the states will be taken up in next phase. The AgDSM project for replacement of 1 lakh old pumps with BEE - 5 Star rated pumps has been started from Andhra Pradesh in September, 2017. Till 31st March 2018, over 18,000 nos. pumps have been installed in the State of Andhra Pradesh and in Uttar Pradesh.

2.4 BUILDINGS ENERGY EFFICIENCY PROGRAMME (BEEP)

EESL is undertaking implementation of the Buildings Energy Efficiency Programme (BEEP), which was launched in May, 2017 by the Indian Government. EESL's Building Programme enables clients & stake holders to overcome technical & financial barriers to promote energy efficiency implementation in commercial buildings of the country. EESL is driving on a large - scale transformation to retrofit commercial buildings in India into energy efficient complexes. Through these future ready solutions, EESL is creating a market for clean energy in India. Government of India has issued an instruction to all Departments and Ministries in August, 2017 to ensure all the buildings become energy efficient. Till 31st March 2018, EESL has completed Buildings Energy Efficiency Projects in 2,825 buildings. Energy Audits show energy saving potential to the tune of up to 30 - 50% in these buildings. The major interventions in these buildings are in area of lighting and air - conditioning systems. EESL has launched "National Building Dashboard" www.eeslbeep.com, which provides information of real time / deemed energy savings in all buildings on PAN India basis. It also gives information about annual CO_2 reduction and avoided peak demand due to retrofit of energy efficient equipment. Under BEEP programme, the Super - Efficient Air Conditioning Programme (ESEAP) is now being executed. EESL has launched Super Energy Efficient Air Conditioners in India which are higher than BEE 5 - star rating. The retrofitting work of Air Conditioners has started under EESL's Building Energy Efficiency Program (BEEP) and is under progress.

2.5 MUNICIPAL ENERGY EFFICIENCY PROGRAMME (MEEP)

To facilitate market transformation and replicate Municipal Energy Efficiency Programme (MEEP) on a large scale in India, EESL has signed MoU with the Ministry of Urban Development on 28th September, 2016. EESL having deployed an overall strategy for taking up Energy Efficient Projects in urban areas, will take up implementation of energy efficient pump sets in public water works and sewage systems to be followed by similar interventions for public lighting, public transport systems and buildings. EESL is undertaking preparation of Investment Grade Energy Audit (IGEA) Reports of identified Energy Efficiency Projects in the Cities and may enter into separate tri - partite agreements with the State Government and respective Urban Local Bodies (ULBs) for implementation of the Project, based upon findings of the Report. EESL has signed an agreement for Investment Grade Energy Audit (IGEA) with 25 States / Union Territories for 390 cities. Energy audit work is under way and the target is to audit pumps in all 500 AMRUT cities. Thereafter, based on approval of the ULB / State Government, the pumps will be replaced by energy efficient ones on the street light business model. Till 31st March, 2018, IGEA reports for 160 cities have been submitted.

2.6 CONSULTANCY AND ADVISORY SERVICES

a) **DSM Program** - Under the 12th Five - year plan, Bureau of Energy Efficiency (BEE), Ministry of Power has initiated a program called "Capacity Building of utility DISCOMs on Demand Side Management (DSM)" in the country. 34 DISCOMs are covered under this program in about 21 states. Activities such as conducting Load Research (LR), preparation of DSM action plan, creation of DSM master trainers and providing technical assistance support to 34 DISCOMs are major activities under the national program of BEE. EESL supports BEE in the following areas:

- Providing technical assistance (TA) to all 34 DISCOMs: 2 persons per DISCOMs
- Conducting LR studies.
- Preparing DSM action plans for each DISCOM.

Accordingly, EESL deployed 64 consultants from technical and financial background to support the DSM cell of DISCOMs. During this year, 33 LR reports and 33 DSM action plans have been submitted to BEE. Work pertaining to one DISCOM has been cancelled.

b) **Perform, Achieve and Trade (PAT) Scheme** - The PAT Cycle II & III started in 2015-16 and the project has been finished in 2017-18. During the project, we have hired 7 agencies for verification audit of 308 plants under 8 sectors of PAT (Textile, TPP, Aluminium, Chlor-Alkali, Cement, Iron & Steel, Fertilizers and Pulp & Paper) out of which 275 units have been done & submitted to BEE. Payment of all the agencies has been done.

c) **Standard and Labelling (S & L) Program** - EESL acts as an Independent Agency for Monitoring and Evaluation (IAME) for BEE in the S & L Program. This flagship program of BEE sets Minimum Energy Performance Standard (MEPS) for different appliances and gives the consumers an informed choice to purchase / use energy efficient appliances. As an IAME, EESL scrutinizes all applications received by BEE from different manufacturers seeking Star - rating for different product models. After due verification of documents and other requirements, EESL recommends the star - rating of each application to BEE to take further action. Apart from this, EESL is also conducting market surveillance and check - testing as per the provisions of S & L Scheme. During the year, EESL has scrutinised and processed about 9369 number of applications generating a total revenue of ₹ 1,26,48,150.

d) **PARTIAL RISK GUARANTEE FUND FOR ENERGY EFFICIENCY (PRGFEE)** - Partial Risk Guarantee Fund for Energy Efficiency (PRGFEE) is risk sharing mechanism to provide banks with a partial coverage of risk involved in loans extended for energy efficiency projects. For this, PRGFEE Rules, 2016 were notified by Government of India on 26th May, 2016 for operationalization of this Fund. A Financial Institution empanelled as a Participating Financial Institution (PFI) with Bureau of Energy Efficiency (BEE) will be eligible to participate under PRGFEE. Under PRGFEE, the PFI can take guarantee from the Implementing Agency (IA - Consortium of REC - RECPDCL - EESL) or through its designee before disbursement of loan to the borrower. The support under PRGFEE will be limited to government buildings, private buildings having commercial or multi - storey residential accommodations, municipalities, small & medium enterprises and industry.

Implementing agency created a separate account in Vijaya Bank, where PRGF is to be parked. EESL has conducted several workshops, meetings and discussion for promotion of the scheme and has initiated the process of working with ESCOs for demonstration of technologies and pilot projects to test out the emerging business models and to bridge the trust deficit and that impedes ESCOs and end - users from taking technical and financial risks. We have shared ESCOs project pipeline on regular basis with empanelled banks to initiate the process of technical economic viability.

(e) **PARTIAL RISK SHARING FACILITY (PRSF)** - The World Bank initiated a project titled "Partial Risk Sharing Facility for Energy Efficiency (PRSF)" with the support of Global Environment Facility (GEF) and Clean Technology Fund (CTF). The objective of the project is to support Government of India's efforts to transform energy efficiency (EE) market in India by promoting increased level of EE investments, particularly through Energy Service Performance Contracting (ESPC) delivered through Energy Service Companies (ESCOs).

The successful demonstration of ESCO - managed EE sub - projects, through PRSF support, is expected to reduce the risk commercial banks perceive in providing credit to EE projects and to ESCOs. The PRSF project is aimed at demonstrating the viability of ESPC market for scaling up implementation of energy efficiency projects in Micro, Small and Medium Enterprises (MSMEs), large industries, municipalities and buildings sector in India. This project consists of the following components:

Component 1: A guarantee fund (risk sharing facility) corpus of USD 37 million (USD 12 Million from GEF as Grant and USD 25 Million from CTF as CTF Guarantee) to be managed by SIDBI (PEA) and

Component 2: Technical Assistance of a Total USD 6 million (USD 4 Million to be implemented by SIDBI and USD 2 million to be implemented by Energy Efficiency Services Limited).

The PRSF project is operational for a period of 15 years (consisting of initial period of 10 years and a follow - on period of 5 years). Each energy saving loan given by Participating Financial Institutions (PFIs), that is, Scheduled Commercial Banks or Non - Banking Financial Companies (NBFCs), empanelled under PRSF, will be partially guaranteed for a maximum tenor of 5 years with guarantee coverage ranging from 40% - 75% of the loan amount.

Under PRSF, EESL has been organizing seminars, trainings, workshops, etc. and participating in conferences / exhibitions, with the sole objective of creating awareness on EE, ESCO and PRSF concepts among different set of stakeholders including PFIs, ESCOs, MSMEs and Hosts. These training and awareness programs have created a good impact in terms of guarantee issuance and pipeline projects. There are various e - learning modules been developed which are based on sustainable development, climate change, financing energy efficiency, performance contracting and innovative financing / PRSF.

It may be mentioned that as on date, 11 guarantees have been issued under PRSF with a coverage of ₹ 24.41 Crore and worth over ₹ 50 Crore projects are in pipeline & discussion with empanelled financial institutions. In addition, EESL is conceptualizing National motor replacement programme & other EE initiatives with DISCOMs / ULBs etc. for creation of project pipeline for ESCOs.

For demand aggregation of energy efficient technologies, a MoU is signed with Central Pulp & Paper Research Institute (CPPRI), ISHRAE & PHD Chamber of Commerce to organize workshops PAN India to promote ESCOs energy efficiency initiative & PRSF scheme. Also, EESL has organized URJAVARAN National event to create awareness & share knowledge on PRSF scheme along with energy efficient technologies and products. It also served the other purpose of providing a technical networking opportunity for Building Industry professionals, where the suppliers and manufacturers showcased their latest product launches, technologies and interacted with Leading Architects, Builders, Key buyers, Decision makers and Senior governmental officials.

2.7 ATAL JYOTI YOJANA (AJAY)

EESL has been appointed as an implementing agency for Atal Jyoti Yojana (AJAY) which is a sub - scheme under Off - Grid and Decentralized Solar Application Scheme of Ministry of New and Renewable Energy (MNRE). The scheme aims at installation of solar street lights in rural, semi - urban and urban areas with inadequate coverage of power (where household grid connectivity is less than 50% as per 2011 census) in the states of Uttar Pradesh, Assam, Bihar, Jharkhand and Odisha. Till 31st March 2018, EESL has installed over 94,000 Solar Street LED Lights in the states of Uttar Pradesh, Assam, Bihar, Odisha and Jharkhand. EESL has launched an online website www.ajay.eeslindia.org which provides information of total number of Solar Street Lights installed in the states.

2.8 SMART METER NATIONAL PROGRAMME (SMNP)

The "Smart Meter National Programme" aims to leverage various functionalities of smart meters such as remote meter reading, remote load limiter and remote connection/disconnection, temper events and Net Metering, thereby revamping the current manual system of revenue collection which leads to low billing and poor collection efficiencies, and to replace 25 crore conventional meters with smart meters in India. The roll - out business model is proposed under the BOOT model on cost plus approach, which means all Capex / Opex is done by EESL and the States / Utilities are not required to invest upfront. These meters are connected through Cellular communication with a back - end IT application system which is used for Data acquisition, analysis and monitoring system that will help to reduce Billing and Commercial losses of utilities and enhance revenues and serve as an important tool in power sector reforms. Till 31st March, 2018, EESL has awarded LoA for procurement of 50 lakh smart meters and for system integrator for 50 lakhs smart meters to be installed in the state of UP & Haryana.

2.9 NATIONAL E-MOBILITY PROGRAM

Government of India (GoI) has approved the National Mission on Electric Mobility considering huge market potential and aspiration of GoI to have 30% Electric Vehicles (EVs) by 2030. EESL has got directions from Ministry of Power to enter EV domain considering demand aggregation. The "National E - Mobility Program" was launched on 7th March, 2018 by the Hon'ble Minister of State (IC) for Power and New and Renewable Energy. The objective of this programme is to provide an impetus for Indian vehicle manufacturers, charging infrastructure companies, fleet operators, etc. to gain efficiencies of scale and drive down costs, grow technical competencies for the long - term growth of EV industry in India and to enable Indian EV manufacturers to emerge as major global players. EESL floated a RfP for 10,000 Electric Cars and has issued LoAs to M/s Tata Motors (5050 e - cars) and M/s Mahindra & Mahindra Limited (4950 e - cars). EESL has also published a tender for procurement of 1800 AC (Slow Charger) & 200 DC (Fast Charger). The price discovered by EESL for these e - cars through tendering is 25% less than the current retail price of similar cars in the market. EESL has aggregated demand by procuring electric vehicles in bulk to get economies of scale. These electric vehicles are being provided to Government entities by EESL on lease / outright purchase basis to replace the existing petrol and diesel vehicles taken on lease by them. Till 31st March 2018, 102 e - cars have been deployed and 97 AC & 25 DC chargers have been commissioned.

2.10 SOLAR PROGRAMME

a. **Solar Roof Top Programme:** EESL will take up its Photovoltaic (hereinafter referred to as "PV") Solar rooftop programme with all States and Union Territories by offering attractive solar tariff. Solar rooftop on buildings along with energy efficient appliances will not only reduce electricity consumption of the building but will also provide long term financial incentives by providing solar generated electricity at cheaper rates compared to commercial tariff. The programme will be implemented under the CAPEX / RESCO model. EESL has signed MoU with New Delhi Municipal Council (NDMC) for implementation of Solar PV based projects in buildings under NDMC jurisdiction. Work has been started in NDMC area.

b. **Small Solar Power Plant Programme:** EESL has initiated a first of its kind large scale program where in existing agricultural feeders will be solarized via implementation of small solar power plants. Power Purchase Agreement has been signed between EESL & Maharashtra State Electricity Distribution Company Limited (MSEDCL) on 20th January, 2018 for 200MW Solar ranging from 0.5MW to 2MW in vacant / unutilized / spare lands of MSEDCL, Maharashtra. Till 31st March, 2018 work has commenced in rural substations of MSEDCL.

2.11 SOLAR STUDY LAMP SCHEME(SoUL)

Solar Study Lamp is the scheme of Ministry of New & Renewable Energy, Government of India and is being implemented by Energy Efficiency Services Limited (EESL) and Indian Institute of Technology, Bombay (IITB) for distribution of 7 Million Solar Study lamps for school students (Class 1 to Class 12) in the states, namely Assam, Bihar, Jharkhand, Odisha and Uttar Pradesh where household grid connectivity is less than 50% as per 2011 census. 70 Lakh rural students will be benefitted with high quality, affordable and clean light in the form of Solar PV Technology based lamps at a discounted price through skill transfer to local communities across 5 states (Uttar Pradesh, Assam, Jharkhand, Bihar and Orissa) in India. Localisation, Saturation and Sustainability are the pillars that form the foundation of this scheme.

Under this scheme, over 11.5 Lakh Solar Study Lamps have been assembled and distributed out of 14 Lakh Solar Study Lamp kits supplied in the states, namely, Assam, Bihar, Jharkhand and Uttar Pradesh. Over 1,915 women entrepreneurs have been trained at 60 ADC centres.

3 INTERNATIONAL OPERATIONS/PROGRAMMES

3.1 GLOBAL ENVIRONMENT FACILITY - 5 (GEF - 5) - PROMOTING MARKET TRANSFORMATION FOR ENERGY EFFICIENCY IN MICRO, SMALL & MEDIUM ENTERPRISES.

The Global Environment Facility is supporting a program under GEF - 5 in India, titled "Promoting Market Transformation for Energy Efficiency in Micro, Small and Medium Enterprises (MSME)". It is a 36 months duration program started from November 2017 and is being implemented by United Nations Industrial Development Organization (UNIDO) in collaboration with EESL. Bureau of Energy Efficiency (BEE) and Small Industries Development Bank of India (SIDBI) are also supporting this project as "Co - financer" and Ministry of MSME is the lead executive agency for this project. This project aims to deploy 30 - 35 technologies in selective MSME clusters in the country namely Surat (Textile), Ankleshwar (Chemical), Vellore (Rice), Jorhat (Tea), Batala, Jalandhar & Ludhiana (Forging), Muzaffarnagar (Paper), East & West Godavari (Ceramic), Varanasi (Textile), Sundargarh (Sponge Iron) and Howrah (Galvanizing and Wire Drawing). This project aims to establish a sustainable revolving fund mechanism for implementing various energy efficient technologies in MSME throughout India. All 35 members of identified technologies along with business model will be first demonstrated in two units for each technology i.e. a total of 70 demonstrations. After the successful demonstrations the identified technologies and the business models will be replicated to about 400 units in the identified clusters.

The total project funding is of 31.32 million USD including GEF - 5 grant of 3 million USD, EESL co - financing is of 20 million USD, SIDBI co - financing of 6.86 million USD and 1.46 million USD is GEF grant to UNIDO. The project is aiming to save energy of about 110,000 tons of oil equivalent (TOE) which will result in reduction of about 1 miilion - ton of CO_2 emission.

3.2 GLOBAL ENVIRONMENT FACILITY - 6 (GEF - 6) - INDIA: "CREATING AND SUSTAINING MARKETS FOR ENERGY EFFICIENCY"

To operationalize and achieve objective of reducing Greenhouse Gas (GHG) emissions through energy efficiency and to scale up new technology applications, GEF - 6 has been launched (2017 - 2022 cycle time). GEF - 6 project envisages to mitigate 750 million tons of CO_2 equivalent & direct energy savings of 38.3 million gigajoule by 2022 and 137.5 million gigajoule by 2032. This project aims to create enabling conditions for company's future growth strategy for investments across all seven technologies (Phase I - Street Lighting, Domestic Lighting, BEE 5 Star Ceiling Fans, and Agricultural Pumps & Phase 2 - Super -

Efficient Ceiling Fans, Tri - Generation and Smart Grids / Meters). United Nations Environment Programme (UNEP) & Asian Development Bank (ADB) are implementing agencies and EESL would be an executing agency for the programme. Total funding for the project is US$ 453 million that includes grant of $18.85 million and Co - Financing of $434.2 million (in form of a mix of loans, equity, technical assistance and in - kind contributions) from EESL and various multilateral & bilateral agencies.

Under GEF - 6, an Energy Efficiency Revolving Fund (EERF) is also proposed to be established and support 'proof of concept' investments and scale up energy efficiency financing and program development to assist in covering initial investment cost of identified Energy Efficiency projects / programs in the country. GEF Grant and technical assistance resources will help to address some of the upfront risk in such investments. The accrued savings from these technologies can then be used to finance additional projects, which would then allow capital to revolve as a sustainable funding mechanism. EERF facility, will provide complementary inputs through screening of the business growth strategy, qualifying investment opportunities identified therein, providing recommendations for additional resources mobilization, and assistance in preparation of investment-ready proposals, scaling up energy efficiency financing and supporting demand side energy management in India. EESL has signed the project cooperation agreement with UN environment and the project is under the implementation phase.

3.3 EVN Study

EVN (Vietnam Electricity - largest power company of Vietnam) had recognized the high success of Domestic Efficient Lighting Program (DELP) by EESL in India which has saved not only 7843 MW of electricity but also resulted numerous social benefits including employment generation. EVN was keen to launch similar program is rolled out, EVN proposed EESL to conduct a Feasibility study with conceptual design of operationalising DELP program in Vietnam. With the respect from EVN, EESL approached the United Nations Environment Program (UNEP) to partially support this study with an objective of meeting Vietnam's INDC goal and signed the SSFA (Small Scale Funding Agreement) with UNEP for conducting Feasibility Study worth $40,076. The study revealed that Vietnam has the potential to replace 362.6 million LED bulbs in the domestic sector in next 2 to 3 years. This could result in saving of 15186 mn unit of electricity. After due discussion with leaders of EVN, it was decided that a pilot project of 400,000 LED bulbs might be taken up with the support of EESL. EVN also conveyed that the DELP program requires a proper institutional structure to take care of the distribution of bulbs and further data management. In view of this, EVN suggested that this program could be implemented by its subsidiary called ECPAY with technical and administrative support from EESL and EVN respectively. The pilot implementation is expected to kick - off in Vietnam soon.

3.4 GGGI Study

EESL was engaged with Electricity Generating Authority of Thailand which is the largest state entity of Thailand in generating and transmitting power for a study being funded by Global Green Growth Institute (GGGI), South Korea worth $1,24,665.

- The project objectives are to: (A) design an investment structure (B) create a risk - sharing facility (C) develop an on - bill financing (OBF) mechanism through a local utility and (D) develop a pipeline of bankable project resulting in 1 - 2 successful projects during TAPEE itself. To achieve the targets, GGGI engaged EESL, a super - ESCO for conducting approximately 220 investment grade audits in energy - intensive SME industries.
- EESL study shows huge energy saving potential in LED based lighting systems, air conditioners, energy efficient motors, variable frequency drives and compressors. The intervention through LED - based lighting and Energy Efficient Motors show energy saving and investment potential to the tune of about 6000MToE and USD 20Mn respectively.
- Based on the above findings, GGGI and Provincial Electricity Authority (PEA), Thailand has taken TAPEE project ahead by launching LED - based lighting and Energy Efficient Motors schemes for Thailand SME industries on 23rd July, 2018.
- The said schemes shall be implemented by provisional electricity authority on ESCO mode with a project period of 12 months. As per scheme PEA will go for the procurement of the ESCO services, in which EESL may participate.
- For the proposed technologies the SME industry shall pay 50% of the cost upfront to the ESCO after completion of the delivery of products at site and rest 50% of the cost in eight (8) equal instalments to the ESCOs which shall be encashed through eight (8) Post - Dated - Cheques (PDCs) issued from a recognised bank of Thailand.

3.5 United Kingdom :

3.5.1 Acquisition of Edina through EESL's subsidiary - (EPAL)

In March 2018, EESL, through its UK subsidiary, EESL EnergyPro Assets Limited (EPAL) has acquired Edina, a leading supplier, installer and maintenance provider for combined heat and power (CHP), gas, and diesel power generation solutions in the United Kingdom (UK).

3.5.2 Tri - Generation:

Pursuant to the Edina acquisition in March 2018, EESL/ EPAL is pursuing the business of Tri - generation (Electricity, Heating & Cooling) as Edina has the technological know - how of this business.

Through this acquisition, EESL also intends to bring CHP technology to India, providing an integrated service offering to industries that would enable them to receive equipment maintenance, electricity, heat and power at no upfront costs for technology installation.

3.6 Canada:

EESL has made Investment of £1.5m done in multi - megawatt Battery Energy Storage System (BESS) project with Leclanché in Toronto.

3.7 Myanmar

- Pilot projects on LED lighting (Domestic & Street) under financial assistance of MEA ($1.2 million) including for parliament building submitted to Embassy of India, Yangoon.
- Received first overseas project to install 3,756 Energy Efficient LED street lights at Nay Pyi Taw in Myanmar.

3.8 Saudi Arabia

EESL has signed MoU with National Energy Service Company of Saudi Arabia for providing Consultancy services and is sharing technical knowledge and experience with NESCO for rolling out LED Street Light projects in Saudi Arabia. Princess Al - Jawhara Street, Riyadh becomes the first lane to be lit with LEDs under the consultancy project

3.9 Malaysia

- EESL has launched UJALA (Unnat Jyoti by Affordable Lighting for All) Scheme in the State of Melaka, Malaysia in the month of September, 2017.
- EESL has signed an agreement with Green Growth Asia for supply of 30 lakh LED Bulbs in the state of Melaka in Malaysia ($ 3.9m)
- EESL has commercially supplied 1200 No's, 20W LED Tube lights & 600 No's of 9W LED Bulbs to the Indian High Commission in Malaysia in December, 2017.

In addition EESL is pursuing various Business opportunities in Bangladesh, Sri Lanka, Bhutan, Nepal and Indonesia in the area of Energy Efficiency and Climate Change.

4 DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The detail of subsidiary / associate companies of EESL is as under:

a. EESL EnergyPro Assets Limited (EPAL)

EESL has a UK based subsidiary company, EESL EnergyPro Assets Limited (hereinafter referred to as "EPAL") in which it holds 80% Equity Shares. As on 31st March 2018, the paid - up share capital of EPAL was GBP 27,182,100. EPAL has signed 7 operating energy efficiency agreement with 7 clients in the education and leisure sectors (schools, district council, golf course) across the UK through two step - down subsidiaries namely Anesco Energy Services South Limited and Creighton Energy Limited. The tenure of these contracts ranges from 9 to 18 years. During the year 2017-18, EPAL has earned a profit of ₹ 1.03 Crs. During the financial year 2017 - 18, EPAL has made equity investment of 1.5 million GBP in Maple leaf Energy Storage LP, Canada based company. In March 2018, EESL EnergyPro Assets Limited (EPAL) has acquired Edina, a leading supplier, installer and maintenance provider for combined heat and power (CHP), gas, and diesel power generation solutions in the United Kingdom (UK). List of companies under EPAL and name of the officers holding the position in EPAL and its subsidiaries is as under:-

a. EESL EnergyPro Assets Limited-> Saurabh Kumar-MD, EESL, Neelima Jain- Regional Head (UK & Europe), Steven Derrick Fawkes

b. Anesco Energy Services South Ltd-> Neelima Jain-Regional Head (UK & Europe),Michael Anthony Tivey, Matthew William Pumfrey

c. Creighton Energy Limited-> Neelima Jain-Regional Head (UK & Europe), Michael Anthony Tivey, Matthew William Pumfrey

d. EPAL Holdings Limited-> Saurabh Kumar- MD, EESL, Neelima Jain-Regional Head (UK & Europe), Steven Derrick Fawkes

e. Edina Acquisition Limited-> Saurabh Kumar- MD, EESL, Neelima Jain-Regional Head (UK & Europe), Steven Derrick Fawkes

f. Edina Power Services Limited-> Saurabh Kumar- MD, EESL, Neelima Jain-Regional Head (UK & Europe), Steven Derrick Fawkes, Hugh Richmond

g. Edina Limited-> Neelima Jain-Regional Head (UK & Europe), Hugh Kerr Richmond

h. Edina UK Limited-> Neelima Jain-Regional Head (UK & Europe), Hugh Kerr Richmond

i. Edina Australia Pty Limited-> Neelima Jain-Regional Head (UK & Europe), Hugh Kerr Richmond

j. Armoura Holdings Limited-> Neelima Jain-Regional Head (UK & Europe), Hugh Kerr Richmond

k. Stanbeck Limited-> Neelima Jain-Regional Head (UK & Europe), Hugh Kerr Richmond

l. Edina Manufacturing Limited-> Neelima Jain-Regional Head (UK & Europe), Hugh Kerr Richmond

m. Edina Power Limited-> Neelima Jain-Regional Head (UK & Europe), Hugh Kerr Richmond

b. NEESL Private Limited

For the purpose of supply, installation, operation and maintenance of Public Street Lighting System in the state of Odisha on Public Private Partnership (PPP) basis, a SPV namely NEESL Private Limited was incorporated in July, 2017. EESL holds 26% equity shares in company. As on 31st March 2018, the paid - up share capital of NEESL was ₹ 1 Lac. During the year 2017-18, NEESL has earned a profit of ₹ 10.91 lacs.

A report on the financial position of subsidiary / associate companies, as per the Companies Act, 2013, has been provided as annexure to the consolidated financial statements and hence, the same is not repeated here for sake of brevity.

5 INFORMATION TECHNOLOGY INITIATIVES

EESL has robust information technology and communication infrastructure in place. Company has implemented Enterprise Resource Planning (ERP) application to integrate all its business functions to improve Information availability, transparency and decision - making. Company is deploying a digital platform and a system to make sure the entire workflow from sourcing, assembly, delivery and servicing to cater the project objectives. Some of the highlights are as under:

a. We have enabled IT services, to our core business i.e. projects for the effective monitoring, operations, grievance and tracking to get the right information at right time to address the business problems and facilitate business stakeholders to enable more.

b. We empowered projects for various IoT based solutions like CCMS for SNLP & smart meters etc.

c. We are also exploring cutting edge technologies like Blockchain, AI, Drones, Big Data, Cloud computing, social responsibility and collaboration to empower more to our business in near future.

Based on mission of the company below IT initiatives are helping EESL business to enable more:

- **Adoption of SAP - ERP**
  - We have implemented world class leading SAP - ERP solution on HANA database which helps us to manage and optimise Man, Machine, Money and Material which in turn increases productivity, better inventory management, promotes quality, reduced material cost, effective human resources management, reduced overheads boosts profits. This has increased operational efficiency, productivity and transparency within and beyond organisation.

- **Management Dashboards**
  - We have implemented complete IT based analytics solution for all the EESL business schemes, a Management dashboard which helps our Management and customers to track the overall project progress, energy savings and CO_2 reduction.
  - All the dashboards are public facing. We have maintained the complete transparency in public domain about each EESL business scheme using the dashboards which builds confidence. Hence, we are able to build highest level of trust with all the stakeholders including public.

- **CCMS (Central Control and Monitoring System) in LED Street Light**
  - The new trend of Intelligent Streetlight is concentrated on both, economic and environmental sensitive developments. CCMS is the first of its kind IoT based technology which is being used in monitoring the street lighting system of civic bodies in the country. We are the pioneer to implement CCMS based street lighting solution in the country which had addressed Remote Monitoring and Controlling of LED lights with following benefits:
  - Power consumption gets reduced due to improved control of street lights.
  - Increased security and safety in the streets and on the roads. Automatic SMS / Email alerts to all concerned officials.
  - Promotes Smart Governance, which is the way forward for the concept of Smart cities.
  - CCMS helps in Data Analytics which helps in load forecasting, DSM activities in the state.
  - Reduces the turnaround time for repair & maintenance jobs which will act as indirect saving for the municipality.

- **Smart Metering**
  - EESL is helping utilities to reduce billing inefficiencies by deploying smart meters through the Smart Meter National Programme (SMNP). We had setup a complete IoT and cloud based solution which will help to replace India's 250 million conventional meters with smart meters to increase billing efficiencies and reduce aggregate technical and commercial loss. Consumers can plan use of electricity via mobile apps to reduce the cost bill and in turn save the electricity.

- **Comprehensive IT solutions with Digitalisation of business processes**
  - EESL is growing rapidly not only in terms of business but also geographically. Considering the growth, we are designing and building comprehensive IT solution including business dynamics which will offer a common platform for all the existing and future business schemes with use of all latest trends and cutting edge technology to enable more. This solution would be very much configurable and flexible so that business users can enhance IT based business needs with minimum efforts and impact on existing setup. We had already deployed a Mobile App for Complaint handling for street light scheme as a pilot project for comprehensive solution. In order to provide a transparency, accountability and management of vendor bills, we have enabled stakeholders with a web based solution for submitting and tracking the bills online. More to be achieved for demands we have received so for building common Mobile application for all of our business schemes.

- **24x7x365 Customer Support Centre for all schemes**
  - Based on the business dynamics and quicker services to consumers we have a call centre based in Rajasthan which supports almost all regional languages for better customer interaction and increased throughput which leads to improve customer service and gives the quick solution to consumers complaints and address the stake holders grievance and have happy stakeholders.

- **Cloud Data Centre Setup**
  - We have deployed our IT applications on Tier-3 cloud data centre so that our stakeholder can access all the IT application from anywhere in secure and safe manner and it is highly available 24x7 in 365 days. We have adopted best enterprise practices for backups, IT security, disaster recovery, Storage space and Networking. All regional and CO offices are seamlessly connected with each other using MPLS and high speed internet connectivity.

- **Security**
  - Understanding security is need of the hour, EESL has implemented all the latest aspects of IT security. IT infra is enabled with Perimeter Security, Internal security end points etc. Monitoring of security logs has been setup for proper resolution of any incident. We are enabling our processes, people, Machines to tackle security issues at organisation level.

- **New Policy -** To make employees IT enabled, desktop computer and laptops have been provided to nearly 100%.
- **Paperless Communication** - Travel claims, telephone claims were made paperless as Go Green initiatives.
- **Video Conferencing (VC) solution** - In order to improve internal efficiency and transparency your company has implemented suitable Video Conferencing (VC) solution at corporate office and is in process to implement across all offices of the Company. Major EESL office site has been connected with more safe and secure network MPLS.

6 INSTITUTIONAL STRENGTHENING

Considering the growth of EESL, institutional strengthening is being undertaken as a regular practice in the company. EESL is associated with leading consulting organisations for providing technical assistance, capacity building, Standardization of process, project execution and monitoring, etc. EESL is also associated with various international financial institutions / Multilateral Development Banks (MDBs) such as World Bank, ADB, AfD and kfW for financing and scaling up the Energy Efficiency Programmes in India and across Globe.

7 OFFICIAL LANGUAGE IMPLEMENTATION

Various steps have been taken in the organisation to promote Rajbhasha. During the year, training was provided for Hindi language and Hindi typing / shorthand for doing work in Hindi on computer system. All the forms used in office and standard bids including company's annual report were made bilingual (Hindi / English). Bilingual telephone directory is available. Hindi translation of EESL's website is also in progress. In order to promote the official language, employees were made aware of the provisions of Official Languages Act, 1963 and they were encouraged to comply with Official Language Policy of Union Government. Hindi Pakhwada is also celebrated with great enthusiasm where a lot of Hindi competition have been conducted.

8 HUMAN RESOURCES MANAGEMENT

The focus of Human Resource Management is to build an enabling culture and ensure motivated work force with required skill sets. The year has seen EESL foraying into many new ventures and the focus has been on multiskilling to meet the challenges.

8.1 Manpower Strength

The total employee strength of the company is given as under:

Location	Number of employees			
	Regular	Fixed Tenure	Consul-tants	Third Party
India	243	157	3	525
United Kingdom	2	-	-	-
Any other country, may please specify	1	-	-	-
Total	246	157	3	525

During the year, your company has developed in - house Online Recruitment application system; introduced system of Online Rolling Advertisement for hiring Consultants/Sector Experts and Apprentices and Campus Placements through IIM.

8.2 Industrial Relations

The thrust on participative culture and open communication channels continued during the year, with the newly constituted Officers Association. The Industrial Relations Scenario has been peaceful and harmonious and no man - days were lost during the year.

8.3 Employee Welfare

The welfare and employee engagement activities in the company are designed in a manner to keep the employees oriented towards organizational goals with team building, work - Life balance and to retain employees in a competitive business scenario. Cashless health care facilities to the employees and their dependent family members, in our company are being provided through empanelled hospitals PAN India. In addition, Group Insurance scheme and Group Personal Accident Insurance scheme are in place. To ensure long term financial security, your company has introduced Superannuation Fund for the employees. Employee annual health checkup has been introduced and OPD facilities provided in the office for health and wellbeing of the employees. Various cultural events, birthday celebrations, festival celebrations etc. were organized throughout the year. The Company also organized events like Raising day and Women's day celebration with employee families.

8.4 Human Resource Development

During the year, we have strengthened the In - house Learning Centre by organizing various training programmes. Also in collaboration with NISE, PMI, NPTI we have organized many non - residential / residential training programs, both at corporate office and regional offices. We have covered 340 executives with 5 training man days per employee in various training programs, workshops etc. within the country and abroad. Numerous technical trainings and general management programs were conducted to enhance technical, behavioral, managerial and cross functional competencies through programs like Solar, AgDSM, Advance Excel training, RTI & disciplinary procedure, health, lifestyle & stress management, Induction etc. Further, we are also organizing communication and time management programs across the Regions in a phased manner.

8.5 MOU Rating and Awards

The performance of your company in terms of MOU signed with promoter companies for the financial year 2016 - 17 has been rated as "Excellent".

8.6 Disclosure under the 'Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In line with provisions of "Sexual Harassment of women at Work Place (Prevention, Prohibition & Redressal) Act, 2013 an "Internal Complaints Committee" has been constituted for redressal of complaints against sexual harassment of women employees. During the financial year 2017 - 18, the Company did not receive any compliant of sexual harassment. Our organization emphasizes on providing a safe working environment for women and in all the training programs, a special stress is given on gender sensitization.

8.7 Right to Information Act, 2005 and Redressal of public grievances

The company has a dedicated grievance and RTI cell headed by Chief General Manager (Technical), who has also been designated as the Public Information Office (PIO) of the organization. The process of filing RTI at EESL has been highly simplified and a user can log on to https://rtionline.gov.in/ to file their RTI requests directly with EESL. During the financial year 2017 - 18, 100% of the queries have been disposed of successfully. Mandatory information as per RTI Act, 2005 has been placed on EESL's website.

All grievances are received by the company through Department of Administrative Reforms and Public Grievances' highly responsive web portal operating under the name of Centralized

Public Grievance Redress and Monitoring System (CPGRAMS). Web address of the same is https://pgportal.gov.in/ and is open to all citizens for promptly reporting their concerns. EESL exhibits its commitment to resolving the public grievance in an efficient and time bound manner.

9 CORPORATE SOCIAL RESPONSIBILITY

The CSR Budget for the financial year 2017 - 18 was ₹ 96.94 lacs, duly approved by the Board. The company has undertaken a project under Skill Development wherein financial assistance of ₹ 3.89 lacs was provided for fees of students whose education is being taken care of by M/s Manav Mandir Mission Trust located in Delhi. However, expenditure of ₹ 12.27 lacs incurred on health care and sanitation in the financial year 2017 - 18 relates to the CSR Budget for the financial year 2015 - 16. Corporate Social Responsibility Policy of the Company as required under Section 135 of Companies Act, 2013 is available on our website (www.eeslindia.org). Information required as per Rule 8 of Companies (Corporate Social Responsibility) Rules, 2014 is given as per **Annexure - I**.

10 NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy of the Company, as required under sub - section (3) of Section 178 of Companies Act, 2013 is available on our website (www.eeslindia.org).

11 CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

There are no significant particulars relating to conservation of energy and technology absorption as required under the Companies (Accounts) Rules, 2014 as the company does not own any manufacturing facility.

12 FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of foreign exchange earning & outgo are as follows:

(in ₹)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Expenditure in Foreign currency	17,91,47,807.00	2,11,61,179.00
Earning in Foreign Exchange	2,76,00,820.00	4,01,63,099.00

13 KEY MANAGERIAL PERSONNEL

As per the provisions of Companies Act, 2013, the company has appointed Managing Director, Whole - Time Director (Finance), Chief Financial Officer, Chief Operating Officer and Company Secretary as Key Managerial Personnel of the Company.

14 DIRECTORS, KEY MANAGERIAL PERSONNEL, BOARD & COMMITTEES OF THE BOARD

- Shri Pankaj Kumar Secretary (Bureau of Energy Efficiency) was nominated as Government Nominee Director by Bureau of Energy Efficiency
- Shri K. K. Sharma, Nominee Director (NTPC) ceased to be director in EESL consequent to his superannuation w.e.f. 31.10.2017. In his place, Shri Mohit Bhargava was appointed as Nominee Director (NTPC) w.e.f. 5th February, 2018.
- Shri Rajeev Sharma was nominated as Nominee Director (PFC) and Chairman, EESL in place of Shri Avkash Saxena, w.e.f. 5th February, 2018.
- In addition, Shri Seethapathy Chander and Ms. Gauri Trivedi were appointed as Independent Directors of the company in its 10th Extra - Ordinary General Meeting w.e.f. 5th February, 2018.
- Ms. Renu Narang was appointed as Whole - Time Director (Finance) of the company w.e.f. 1st March, 2018.
- Ministry of Power vide letter dated 15th March, 2018 nominated Director General, Bureau of Energy Efficiency (Shri Abhay Bakre) as Government Nominee Director in place of Secretary, Bureau of Energy Efficiency (Shri Pankaj Kumar) who was appointed w.e.f. 8th May, 2018.
- REC Limited vide its letter 14th November, 2018 nominated Shri Sanjiv Garg as nominee director in place of Shri V. K. Singh who was appointed w.e.f 10th December, 2018.

Board of Directors of the company duly met 10 times during the financial year 2017 - 18. The dates on which meetings were held are as follows: 30th May, 2017 (53rd and 54th Board Meeting), 4th August, 2017, 21st September, 2017, 29th September, 2017, 27th October, 2017, 14th November, 2017, 4th December, 2017, 16th February, 2018 and 27th March, 2018.

Re-appointment of Directors:

In terms of Section 152 of Companies Act, 2013, Shri Saurabh Kumar and Shri Raj Pal shall retire by rotation at the ensuing Annual General Meeting of the company and being eligible, have offered themselves for re - appointment.

The Board of Directors have constituted following committees in order to effectively cater its duties towards diversified role under the Companies Act, 2013:-

A. Audit Committee:

Five (5) Audit Committee Meetings were held during the financial year on 30.05.2017, 04.08.2017, 21.09.2017, 14.11.2017 and 04.12.2017. The composition of committee during the year was as under:

Members:
Shri Raj Pal, Nominee Director
Shri Avkash Saxena, Nominee Director
Shri V. K. Singh, Nominee Director

Special Invitee:
CGM (Finance)/CFO

In attendance:
Company Secretary

However, the Audit Committee was reconstituted and its composition as on 30th September, 2018 is as under:

Members:
Shri Seethapathy Chander, Independent Director
Ms. Gauri Trivedi, Independent Director
Shri Mohit Bhargava, Nominee Director

Special Invitee:
Director (Finance)/CFO

In attendance:
Company Secretary

B. Corporate Social Responsibility (CSR) Committee

No CSR Committee Meeting was held during the financial year 2017 - 18. The composition of committee during the year was as under:

Members:
Shri Raj Pal, Nominee Director
Shri Avkash Saxena, Nominee Director
Shri V. K. Singh, Nominee Director

Special Invitee:
CGM (Finance)/CFO
Head - CSR cell

In attendance:
Company Secretary

However, the Corporate Social Responsibility Committee was reconstituted and its composition as on 30th September, 2018 is as under:

Members:
Shri Seethapathy Chander, Independent Director
Ms. Gauri Trivedi, Independent Director
Shri Raj Pal, Director
Ms. Renu Narang, Director (Finance) / CFO

Special Invitee:
Head of CSR Cell

In attendance:
Company Secretary

C. Nomination and Remuneration Committee

Two (2) Nomination and Remuneration Committee meetings were held during the financial year on 29.09.2017 and 21.10.2017. The composition of committee during the year was as under:

Members:
Shri Raj Pal, Nominee Director
Shri Avkash Saxena, Nominee Director
Shri V. K. Singh, Nominee Director

Special Invitee:
CGM (Finance)/CFO

In attendance:
Company Secretary

However, the Nomination and Remuneration Committee was reconstituted and its composition as on 30th September, 2018 is as under:

Members:
Shri Seethapathy Chander, Independent Director
Ms. Gauri Trivedi, Independent Director
Shri Mohit Bhargava, Nominee Director

Special Invitee:
Director (Finance)/CFO
Advisor (HR & Admin)

In attendance:
Company Secretary

Detail of number meetings attended by each Director during the financial year 2017 - 18 is as under:

Name of Director	No. of Board Meetings		No. of Audit Committee Meetings		No. of CSR Committee Meetings		No. of NRC Meetings	
	Entitled	Attended	Entitled	Attended	Entitled	Attended	Entitled	Attended
Shri Rajeev Sharma	2	2	-	-	-	-	-	-
Shri K.K. Sharma	6	6	-	-	-	-	-	-
Shri Saurabh Kumar	10	9	-	-	-	-	-	-
Ms. Renu Narang	1	1	-	-	-	-	-	-
Shri Raj Pal	10	9	5	4	0	0	2	2
Shri V. K. Singh	10	5	5	2	0	0	2	2
Shri Mohit Bhargava	2	2	-	-	-	-	-	-
Shri Seethapathy Chander	2	2	-	-	-	-	-	-
Ms. Gauri Trivedi	2	0	-	-	-	-	-	-
Shri Avkash Saxena	8	7	5	5	0	0	2	1
Shri Pankaj Kumar	7	4	-	-	-	-	-	-

15 DIRECTORS' RESPONSIBILITY STATEMENT:

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost auditors, secretarial auditors and external consultants and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2017 - 18. Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) They have, in the selection of accounting policies, consulted Statutory Auditors and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

c) They have taken proper and sufficient care to the best of their knowledge and ability for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding assets of the Company and for preventing and detecting fraud and other irregularities;

d) They have prepared the annual accounts on a going concern basis.

e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16 APPOINTMENT OF INDEPENDENT DIRECTORS AND DECLARATION OF INDEPENDENCE

In accordance with Ministry of Power in the meeting held on 14th Jan, 2015 on review of organisational structure of EESL taken by Secretary (P) at New Delhi (communicated vide office memorandum no. 12/1/2015-EC dated 22nd Jan, 2015) Shri Seethapathy Chander and Ms. Gauri Trivedi was appointed as Independent Directors on the Board of EESL w.e.f 5th February, 2018. Shri Seethapathy Chander has served Asian Development Bank and he is currently serving as Senior Advisor to the President of the Asian Infrastructure Investment Bank. He has vast experience in energy sector also. Ms. Gauri Trivedi has an illustrious career and has held various administrative posts in Karnataka and is a guest faculty in various institutes.

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

17 MAINTENANCE OF COST RECORDS

The Company is not required to maintain the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

18 REPORTING UNDER PUBLIC PROCUREMENT POLICY FOR MICRO & SMALL ENTERPRISES (MSE) ORDER, 2012

The Government of India has notified Public Procurement Policy on Micro & Small Enterprises (MSEs) Order, 2012 and subsequent amendments till date. In terms of the said policy, following are the required details:

Sl. No.	Particulars	FY 2017 - 18	Target for FY 2018 - 19
I	Total annual procurement (in value)	₹ 8901.21 Cr	₹ 3700 Cr
II	Total annual procurement (in value) through International Competitive bidding funded by Multilateral/ Bilateral Agencies	₹ 902.35 Cr	₹ 1800Cr
III	Total annual procurement (in value) -Domestic Procurement	₹ 7998.86 Cr	₹ 1900 Cr
IV	Total value of goods and services procured from MSEs (including MSEs owned by SC / ST entrepreneurs)	₹ 527.06 Cr	₹ 380 Cr
V	Total value of goods and services procured from MSEs owned only by SC / ST	No claim received	₹ 76 Cr
VI	% age of procurement from MSEs (including MSEs owned by SC / ST entrepreneurs) out of total procurement	6.59%	20%
VII	% age of procurement from MSEs owned only by SC / ST entrepreneurs out of total procurement	0	4%
VIII	Total number of Vendor development programmes for MSEs	Nil	TWO
IX	Confirmation of uploading annual MSE procurement profile on website by hyperlink of the same	http://eeslindia.org/content/raj/eesl/en/Tenders/tenders.html?id=419	

19 VIGILANCE/WHISTLE BLOWER POLICY

Your Company ensures transparency, objectivity and quality decision making in its operation and to monitor the same, the Company has vigilance department. In complinace with requirement of Companies Act, 2013, the company has also formulated the Whistle Blower Policy which provides for the mechanism to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct and adequate safeguards against victimisation. The said policy is also available on website of the company (www.eeslindia.org).

20 EXTRACT OF ANNUAL RETURN:

The Extract of Annual Return for financial year 2017 - 18 is attached with the Board report in Form No. MGT - 9 as **Annexure - II.**

21 PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the period under review, the Company has not entered into any material transaction with any of its related parties. All related party transactions were in the ordinary course of business and were negotiated on arm's length basis. Accordingly, the disclosure of related party Transactions as required under Section 134(3)(h) of Companies Act, 2013 in Form AOC - 2 is not applicable.

22 PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Loan, guarantees and investment covered under Section 186 of the Companies Act 2013 form part of the notes to the Financial statements (Standalone) provided in the Annual Report.

23 SINGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

We have ongoing recovery issues against our DA's. Also, EESL has paid considerable amount of "VAT Demand and Penalty" in Andhra Pradesh. Regarding the company operations from legal perspective, no notice or judgment or order has been received, wherein operations and existence of EESL appears to be in immediate jeopardy / peril.

24 DEPOSITS

Till date, the company has not accepted any deposits and therefore, no deposits that are not in compliance with the provisions of Chapter V of the Act, exist.

25 PERFORMANCE EVALUATION OF DIRECTORS AND THE BOARD

As required under Companies Act, 2013, evaluation of performance of directors including that of the Independent Directors / Board / Committees is to be carried out either by the Board or by the Nomination and Remuneration Committee or by the Independent / Nominee Directors.

26 AUDITORS

26.1 STATUTORY AUDITOR

The Comptroller and Auditor General of India (C&AG), in exercise of power conferred under Section 139 of the Companies Act, 2013 has vide letter dated 19th July, 2018 appointed M/s K K Soni & Co, Chartered Accountants (Firm Reg. No. 000947N), New Delhi as statutory auditor of the Company for financial year 2018 - 19. Approval of members of the Company will be obtained in ensuing Annual General Meeting to authorise Board of Directors, to fix auditor's remuneration for financial year 2018 - 19.

26.2 SECRETARIAL AUDITOR

M/s Astik Tripathi & Associates, practicing Company Secretaries was appointed as Secretarial Auditors of the Company to carry out Secretarial Audit for the Financial Year 2017 - 18. The Secretarial Audit Report for the same annexed as **Annexure - III** to this report.

26.3 INTERNAL AUDITORS

M/s Jain & Malhotra, Chartered Accountants were appointed as Internal Auditors of the Company for the financial year 2017-18 and their reports for the year were submitted to the Audit Committee & Board.

26.4 COST AUDITORS

Cost Audit is not applicable to the Company.

27 MANAGEMENT REPLY:

The Management's Reply to the observation / advice of Statutory Auditors and Secretarial Auditors are submitted as per **Annexure - IV** and **Annexure - V** to this report, respectively.

28 COMMENTS OF C&AG OF INDIA

The Comptroller and Auditor General (C&AG) of India, through letter dated 5th October, 2018 has given comments on the audited Standalone Financial Statements and through letter dated 27th December, 2018 has given comments on the audited Consolidated Financial Statements of the Company for the year ended 31st March, 2018 under section 143(6)(a) of the Companies Act, 2013. The comments of C&AG for the financial year 2017-18 have been placed as **Annexure - VI** and **Annexure - VII**, respectively, to this Report.

29 STATUTORY DISCLOSURE

a) There was no change in nature of business of the Company during the financial year 2017 - 18.

b) The Company maintains an adequate system of Internal Controls including suitable monitoring procedures, which ensure accurate and timely financial reporting of various transactions, efficiency of operations and compliance with statutory laws, regulations and Company policies.

c) There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year i.e. March 31, 2018 and the date of this report.

d) The Company has not issued any stock options to the Directors or any employee of the Company.

e) The Company has complied with the applicable Secretarial Standards.

f) In terms of provisions of Companies Act, 2013, the consolidated financial statements are also being presented in addition to the standalone financial statements of the company.

g) The Annual General Meeting is delayed due to delay in consolidation of financial statement for financial year 2017-18. The Consolidated Financial Statement (CFS) for financial year 2017-18 was approved by the Board of Directors in its meeting held on 10th December, 2018 along with Statutory Auditors report on the CFS.

30 MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis report forms part of the report and placed as per **Annexure - VIII**.

31 PARTICULARS OF EMPLOYEES:

The information required under the provision of Section 197(12) of Companies Act, 2013 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is placed as per **Annexure - IX**.

32 ACKNOWLEDGEMENT:

The Directors are grateful to the Government of India particularly Ministry of Power, Ministry of Finance, Department of Economic Affairs for their continued co - operation and support. The Directors thank the state governments, state electricity boards, State Power Utilities and other borrowers for their continued supports and trust in the Company.

The Directors wish to place on record their appreciation of the commendable work done, dedication and sincerity by all employees of the Company at all levels during the year under review. The Company will make every effort to meet the aspirations of its shareholders and wish to sincerely thank them for their whole hearted co - operation and support at all times.

For and on Behalf of the Board of Directors
Energy Efficiency Services Limited

Shri Rajeev Sharma
Chairman
(DIN: 00973413)

Date: 28.12.2018
Place: New Delhi

Annexure - I

ANNUAL REPORT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR 2017 - 18

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web - link to the CSR policy and projects or programs :**

   EESL's CSR policy focuses on activities relating to health, sanitation, drinking, water, education, capacity building, women empowerment, social infrastructure development and activities contributing towards Environment Sustainability. CSR Policy of the Company as required under Section 135 of Companies Act, 2013 is available on our website (www.eeslindia.org).

2. **The composition of the CSR Committee:**

   Shri Seethapathy Chander (Independent Director)
   Ms. Gauri Trivedi (Independent Director)
   Shri Raj Pal (Government Nominee Director)
   Ms. Renu Narang (Director (Finance) / CFO)

3. **Average net profit of the company for last 3 financial years:** ₹ 48.57 crore

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** ₹ 96.94 Lac

5. **Details of CSR spent during the financial year:**

   a. **Total amount to be spent for the financial year:** Nil

   b. **Amount unspent:** ₹ 96.94 Lac

   c. **Manner in which the amount spent during the financial year is detailed below:** NA

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs Sub - heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency*

* Give details of implementing agency

6. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:** Reason specified in clause 9 of the report.

For Energy Efficiency Services Limited

Shri Saurabh Kumar
Managing Director
DIN: 06576793

Annexure - II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U40200DL2009PLC196789
ii.	REGISTRATION DATE	10/12/2009
iii.	NAME OF COMPANY	ENERGY EFFICIENCY SERVICES LIMITED
iv.	CATEGORY OF COMPANY	Company Limited by Shares
v.	SUB-CATEGORY OF COMPANY	Indian Non-Government Company
vi.	ADDRESS OF COMPANY	4th Floor, Sewa Bhawan, R. K. Puram, New Delhi-110066
vii.	LISTED/UNLISTED	Listed (Debentures of the company are listed)
viii.	NAME & ADDRESS OF REGISTRAR & TRANSFER AGENT	Karvy Fintech Private Limited (Formerly Karvy Computershare Private Limited) Karvy Selenium Tower B, Plot No. 31-32 Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032, India Tel No.: +91 (40) 6716 2222; Fax: +91 (040) 2343 1551

II. PRINCIPAL BUSINESS ACTIVTIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1.	Sale of Goods	47990	77.28 %
2.	Sale of Services	74909	22.72 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. N.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	%OF SHARES HELD	APPLICABLE SECTION
1.	EESL EnergyPro Assets Limited Nicholas House, River Front, Enfield, Middlesex, United Kingdom, EN1 3FG	10568873	Subsidiary	80	2(87)
2.	Anesco Energy Services (South) Ltd. Nicholas House, River Front, Enfield, Middlesex, United Kingdom, EN1 3FG	08112903	Subsidiary	80	2(87)
3.	Creighton Energy Limited Nicholas House, River Front, Enfield, Middlesex, United Kingdom, EN1 3FG	07729268	Subsidiary	80	2(87)
4.	EPAL Holdings Limited Nicholas House, River Front, Enfield, Middlesex, United Kingdom, EN1 3FG	11217655	Subsidiary	80	2(87)
5.	Edina Acquisition Limited Nicholas House, River Front, Enfield, Middlesex, United Kingdom, EN1 3FG	11216307	Subsidiary	80	2(87)
6.	Edina Power Services Limited Delaire House, Unit, 4 Swords Business Park Swords Co. Dublin	151045	Subsidiary	80	2(87)

7.	Edina Limited Delaire House, Unit, 4 Swords Business Park Swords Co. Dublin	108087	Subsidiary	80	2(87)
8.	Edina UK Limited 13 Rugby Park, Bletchley Road, Stockport, Cheshire, SK4 3EJ	05660595	Subsidiary	80	2(87)
9.	Edina Australia Pty Limited Bentleys (Qld) Pty Ltd., Level 9, 123 Albert Street, Brisbane City Qld 4000 AUSTRALIA	ABN 77166334416	Subsidiary	80	2(87)
10.	Armoura Holdings Limited Delaire House, Unit, 4 Swords Business Park Swords Co. Dublin	197018	Subsidiary	80	2(87)
11.	Stanbeck Limited Delaire House, Unit, 4 Swords Business Park Swords Co. Dublin	343017	Subsidiary	80	2(87)
12.	Edina Manufacturing Limited Lissue Industrial Estate West, Moira Road, Lisburn, County Antrim, BT28 2RE	NI029915	Subsidiary	80	2(87)
13.	Edina Power Limited Rathdown Road, Lissue Industrial Estate West, Lisburn, County Antrim, BT28 2RE	NI048701	Subsidiary	80	2(87)
14.	NEESL Private Limited Reg. Office: D-40, G/F, Okhla Phase – I, New Delhi – 110020, India	U74999DL2017FT C320579	Associate	26	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

i. Category-wise share Holding

Category of Shareholders	No. of shares held at the beginning of the year i.e. 01.04.2017				No. of shares held at the end of the year i.e. 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTORS									
1. Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies corp.	292999800	169000200	462000000	100	292999800	169000200	462000000	100	Nil
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Others	-	-	-	-	-	-	-	-	-
Sub Total A (1):	**292999800**	**169000200**	**462000000**	**100**	**292999800**	**169000200**	**462000000**	**100**	**Nil**
2. Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Sub Total A (2):									

Total Shareholding of Promoter (A)=(A)(1)+ (A)(2)	**292999800**	**169000200**	**462000000**	**100**	**292999800**	**169000200**	**462000000**	**100**	**Nil**
B. Public Share holding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/ FI	-	-	-	-	-	-	-	-	-
c) Central govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i. Indian	-	-	-	-	-	-	-	-	-
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
(i)Individual Shareholders Holding nominal share capital up to ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital excess of ₹1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Specify)	-	-	-	-	-	-	-	-	-
sub-total (B) (2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B) (2)	-	-	-	-	-	-	-	-	-
C. Share held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**292999800**	**169000200**	**462000000**	**100**	**292999800**	**169000200**	**462000000**	**100**	**Nil**

ii. Share Holding of Promoters

Shareholder's Name	Shareholding at the beginning of the year i.e. 01/04/2017			Shareholding at the end of the year i.e. 31/03/2018			% change in shareholding during the year
	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
NTPC Limited	14,65,00,000	31.7%	Nil	14,65,00,000	31.7%	Nil	Nil
Power Finance Corporation Limited	14,65,00,000	31.7%	Nil	14,65,00,000	31.7%	Nil	Nil
Power Grid Corporation of India Limited	2,25,00,000	4.87%	Nil	2,25,00,000	4.87%	Nil	Nil
REC Limited	14,65,00,000	31.7%	Nil	14,65,00,000	31.7%	Nil	Nil
TOTAL	**46,20,00,000**	**100%**	**-**	**46,20,00,000**	**100%**	**-**	**-**

iii. Change in Promoters shareholding: Nil

PARTICULARS	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of Total of share of the company	No. of shares of the company	% of Total shares
At the beginning of the year	46,20,00,000	100	-	-
Date wise Increase / Decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	-	-	-	-
At the end of year	46,20,00,000	100	46,20,00,000	100

iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holder of GDRs and ADRs)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
For Each of the Top 10 Shareholders	No. of Shares	% of Total of share of the company	No. of shares of the company	% of Total shares
At the beginning of the year	-	-	-	-
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer /bonus/sweat equity etc.)	-	-	-	-
At the end of year (or on the date of separation during the year)				

v. Shareholding of Director and Key Managerial Personnel:

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
Shri V. K. Singh	**No. of Shares**	**% of Total of share of the company**	**No. of shares of the company**	**% of Total shares**
At the beginning of the year	100	0.00002	-	-
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer /bonus/sweat equity etc.)	-	-	-	-
At the end of year	100	0.00002	100	0.00002

V. INDEBTEDNESS

Indebtedness of the company including interest outstanding/accrued but not due for payment (₹ In Lacs):

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at beginning of the year (01.04.2017)				
(i)Principal Amount	95000	0	0	95000
(ii)Interest due but not paid	0	0	0	0
(iii)Interest accrued but not due	2133.57	0.00	0.00	2133.57
Total (i+ii+iii)	**97133.57**	**0.00**	**0.00**	**97133.57**
Change in Indebtedness during the financial year				**0**
• Addition	54500	86500	0	141000
• Reduction	45000	0	0	45000
Net Change	**9500**	**86500**	**0**	**96000**
Indebtedness at end of the year (31.03.2018)				**0**
(i) Principal Amount	104500	86500	0	191000
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	2159.18	3011.18	0.00	5170.36
Total (i+ii+iii)	**106659.18**	**89511.18**	**0.00**	**196170.36**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole -time Directors and / or Manager: (Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	
a.		Shri Saurabh Kumar (Managing Director)	Ms. Renu Narang (Whole - Time Director)
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income -tax Act,1961 (b) Value of perquisites u/s 17(2) Income tax Act, 1961 (c) Profit in lieu of salary under section 17(3) Income tax Act,1961	 46,67,587.48 35,067.00 -	 3,48,995.64 - -
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - As % of profit - Others, Specify…	-	-
5.	Others, please specify	-	-
	Total (A)	47,02,654.48	3,48,995.64
	Ceiling as per the Act	As per Schedule V	As per Schedule V

B. Remuneration to other Directors:

(Amount in ₹)

Particulars of Remuneration			Total Amount
	Shri Seethapathy Chander (Independent Director)	**Ms. Gauri Trivedi (Independent Director)**	
1. Independent Directors • Fee for attending board / committee meetings • Commission • Others, Please specify	40,000 - -	- - -	- - -
Total (1)	40,000	-	40,000
2. Other Non - Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	- - -	- - -	- - -
Total (2)	-	-	-
Total (B) = (1+2)	40,000	-	40,000
Total Managerial Remuneration	40,000	-	40,000
Overall Ceiling as per the Act	As per Section 197	As per Section 197	

C. REMUNERATION TO KEY MAMAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/WTD:

(Amount in ₹)

SL. No.	Particulars of Remuneration	Chief Financial Officer	Company Secretary	Total
		S. Gopal	**Pooja Shukla**	
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income -tax Act,1961	36,06,721.45	20,23,703.64	56,30,425.09
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	24,885	Nil	Nil
	(c) Profit in lieu of salary under section 17(3) Income tax Act,1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - As % of profit - Others specify…..	Nil	Nil	Nil
5.	Others, Please specify	Nil	Nil	Nil
	Total	36,31,606.45	20,23,703.64	56,55,310.09

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
There were no penalties/punishment/compounding of offences for breach of any section of Companies Act against Company or its directors or other officers in default, if any, during the year.					

For and on Behalf of the Board of Directors
Energy Efficiency Services Limited

Rajeev Sharma
Chairman
(DIN: 00973413)

Date: 28.12.2018
Place: New Delhi

Annexure - III

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Energy Efficiency Services Limited,
4th Floor, Sewa Bhawan,
R.K. Puram, New Delhi,-110066

Date of Incorporation: 10.12.2009
Authorized Share Capital: INR 1,500,000,000
Paid up Share Capital: INR 462,000,000

We have conducted the secretarial audit of the compliance of applicable statutory provisions on **Energy Efficiency Services Limited** hereinafter referred to as **("the company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of **Energy Efficiency Services Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st Day of March, 2018 ('Audit Period')** complied with the statutory provisions listed hereunder and also that the Company has proper Board - processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Energy Efficiency Services Limited ('The Company')** for the financial year ended on **31st Day of March, 2018** according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not applicable to the company during the audit period)**

iii. The Depositories Act, 1996 and the Regulations and Bye - laws framed thereunder: **(Not applicable to the company during the audit period)**

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment.

   Company has made Overseas Direct Investment during the financial year 2017-18 and has complied with all applicable provisions of Foreign Exchange Management Act, 1999.

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the company during the audit period)**

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **(Not applicable to the company during the audit period)**

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the company during the audit period)**

   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the company during the audit period)**

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Applicable to the company during the audit period as debt securities of the company are listed on BSE Limited).**

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the company during the audit period)**

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the company during the audit period)**

   h. The Securities and Exchange Board of India (Buyback of Securities), 1998; **(Not applicable to the company during the audit period)**

   We have also examined compliance with applicable clause of the following:

   i. Secretarial Standards issued by The Institute of Company Secretaries of India.

   ii. The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable; **(Applicable to the company during the audit period as debt securities of the company are listed on BSE Limited and company has complied with all the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), 2015 w.r.t. listed debt securities)**

During the period under review, the Company has complies with the provisions of Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. ***The Company has not spent the amount on CSR Activities as required under the provisions of Section 135 of Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII to the Act.***

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Astik Tripathi and Associates
Company Secretaries

Astik Mani Tripathi
Proprietor
FCS No. 8670
C P No. 10384

Place: New Delhi
Date: 19.09.2018

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

Astik Tripathi & Associates

Company Secretaries

Annexure-A

To,
The Members,
Energy Efficiency Services Limited,
4th Floor, Sewa Bhawan,
R.K. Puram, New Delhi-110066

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Record is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of contents of the Secretarial records.

3. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5. Whereever required, we have obtained the management representations about the compliance of laws, rules and regulations and happening of events etc.

6. The Compliance of provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure.

For Astik Tripathi and Associates
Company Secretaries

Astik Mani Tripathi
Proprietor
FCS No. 8670
C P No. 10384

Place: New Delhi
Date: 19.09.2018

Annexure - IV

MANAGEMENT REPLY TO STATUTORY AUDITOR'S REPORT FOR THE FINANCIAL YEAR 2017 - 18

S. No.	Auditor's Qualified Opinion	Management's Reply
1.	a) Attention is invited to the Note 10 to the Financial Statements on the accounting treatment of Trade Receivables. These receivables are due from government-controlled entities (both central and state government) and other customers. Significant amount is outstanding for the period of more than 360 day which accounts for about 45% of total outstanding as on 31-03-2018, the management has given explanation that such long overdue outstanding have arisen in the normal course of business. Attention is invited to Note no. 40 with regard to financial risk management of Trade receivables in the Financial Statements which is stated as under: "The Company earns its revenue mainly from government-controlled entities (both central and state government). As these entities are government controlled, the counter party risk attached to such receivables are considered to be insignificant. For rest of the customers, Company evaluates and manages its credit risk by taking into consideration the ageing of the dues, specific credit circumstances, nature of the customers and credit worthiness of the customers. The Impairment loss allowance is assessed by the company using life time ECL approach which is based on the business environment in which the company operates. The trade receivables are considered in default (credit impaired) when the possibility of recovery of receivables based on assessment/evaluation on the parameters stated above are deteriorating and are required to be provided for allowance on doubtful receivables in a systematic manner. The Company has not experienced any significant impairment losses in respect of trade receivables in the past years. Since the Company has its customers within different states of India, geographically there is no concentration of credit risk." As required under the above provisioning policy of the company, the management has not furnished assessment/ evaluation of credit risk based on factors such as ageing of dues, specific credit circumstances, nature and credit worthiness of the non-government-controlled entities/ customers. Therefore, we are unable to quantify the impact on the financial statements on account of possible allowance on doubtful trade receivables due to expected credit loss in case of defalt (except those mentioned below which are under litigation for recovery).	The company earns its revenue from Government institutions/ undertakings (both central & State) and from other Customers and has trade receivables from them which has generated from the normal course of business. The Government agencies account for about 75% of the total receivables. Based on the environment in which the Company operates the trade receivables are considered to be in default (credit impaired) when the possibility of recovery of receivables are deteriorating based on management evaluation of certain parameters such as age of dues, nature of customers, its credit worthiness, etc. and are required to be provided for allowance on a systematic basis. In respect of the entities that are government controlled, the counter party risk attached to such receivables are insignificant. In respect of non-government controlled which are scattered across different states in India and are in very large number, the Company is still in the process of assessment/evaluation of credit risk based on parameters mentioned above. The Company is in receipt of periodic payments from these non-governments controlled entities even though there are delays in receipt in certain receivables. Therefore, in view of the management, these customers have the capacity to meet the obligations and the risk of default is low. The management believes that trade receivables that are past due are collectable in full based on historical payment behavior (except for certain cases which are in the various stages of litigation).
	b) Attention is invited to Note No. 40(ii) (b) with regards to Financial assets for which loss allowance is measured using life time expected credit losses in the Financial Statements, which is stated as under: "The Company has customers with capacity to meet the obligations and therefore the risk of default is low. Further, management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour. However, an allowance for doubtful receivables of ₹ 196.64 Lakhs (31 March 2017: ₹ Nil) has been recognised during the year to the extent of 10% of the total outstanding of ₹ 1966.40 lakhs in respect of cases which are under litigation for recovery".	The agreement with the Customers provide for legal recourse in case of delays in payment. The Company has initiated litigation proceedings in respect of four customers for a total outstanding amount of ₹ 1966.40 lakhs as these cases are in the initial stages the final outcome of which is yet to be decided. As a precautionary measure, the Company has made provision for doubtful debts of ₹ 196.64 lakhs (10% of the total outstanding of ₹ 1966.44 lakhs) in the current FY 2017-18. Based on the future outcome of the litigations the Company shall make the provision of the balance of these receivables, if required in the forthcoming years on a systematic basis.

S. No.	Auditor's Qualified Opinion	Management's Reply
	Though as per management prudence an allowance of ₹ 196.64 lakhs on doubtful receivables has been recognised during the year which is to the extent of 10% of the total outstanding of ₹ 1966.40 lakhs in respect of cases under litigation for recovery, in our opinion such cases are still to be assessed/evaluated for ascertaining credit risk based on factors such as ageing of dues, specific credit circumstances, nature and credit worthiness of the customers as defined in the policy of the management for the purpose of creating allowance on such doubtful trade receivables due to expected credit loss in case of default. In absence of aforesaid evaluation of such cases by the management, we are unable to quantify the actual impact on the financial statements on account of further possible allowance on such doubtful trade receivables (which are under litigation for recovery) due to expected credit loss in case of default.	
2.	Attention is invited to the Note no. 33 to the Financial Statements on the accounting treatment of Advertisement expenses. During the financial year 2017-18, the company has incurred expenditure amounting to ₹ 8.77 crore on advertisement out of which ₹ 6.38 crore has been deferred as prepaid expenses which is shown under the head "Other Current Assets" (Note no. 15 to the financial statements). Such treatment of revenue expenditure is not consistent with the principles enunciated under Ind AS 38, "Intangible Assets". This was also a subject matter of qualification in previous auditor's report on the financial statements for the year ended 31 March 2017.	EESL has a target to distribute 77 crores LED bulbs in entire country in 4 year commencing from the FY 2015-16 under the Energy Efficiency Programme (DELP/UJALA) of Government of India. The programme cost per LED bulb is determined by regulatory commission and includes cost of procurement of LED bulbs, cost of distribution & awareness, return on equity, other financial cost and applicable taxes. EESL has incurred the substantial amount on advertisement/ awareness of DELP/UJALA programme on national level as well as in the states to create awareness about the programme in the general public to encourage greater participation. The cost of awareness is approved by the regulatory commission and is part of the programme cost. As such the cost of awareness needs to be spread over the number of LED bulbs that are targeted to be distributed. Accordingly, in the annual accounts for FY 2017-18, only that part of awareness expenses which are in proportion to the actual numbers of bulb distributed for FY 2017-18 vis-a-vis the total targeted LED bulb distribution at the beginning of the year are accounted for charging in the Statement of Profit & Loss and the balance amount is carried over for charging in the Statement of Profit & Loss of subsequent years on the basis of bulbs distribution in the subsequent years. The above treatment has been disclosed in the financial statements and the same is as under: **"Expenses incurred on advertisement/awareness on DELP/UJALA programme in the state is charged to Statement of profit & loss in proportionate to LED bulbs distributed in current year vis-a-vis the total targeted LED bulbs distribution at the beginning of the year for that respective state and balance amount is carried forward for charging to statement of Profit and Loss in subsequent years. Similarly, expenses incurred on National Media campaigning for DELP/UJALA programme is charged to statement of profit and loss in proportionate to the total LED bulbs distributed in current Financial year vis-a-vis the overall targeted LED bulbs distribution at the beginning of the year under DELP/UJALA programme and balance amount is carried forward for charging to statement of Profit and Loss in subsequent years"** Accordingly, out of ₹ 8.77 crores on advertisement during 2017-18, ₹ 6.38 crores has been carried over as prepaid expenses. Hence, the treatment made by EESL for carry forward of awareness expenses is in order. However, the above treatment of awareness expenses shall be reviewed again in the current financial year depending upon the progress of distribution under UJALA programme and the expenditure shall be accounted accordingly.

Annexure - V

MANAGEMENT REPLY TO SECRETARIAL AUDITOR'S REPORT FOR THE FINANCIAL YEAR 2017 - 18

S. No.	Secretarial Auditor's Observation	Management's Reply
1.	The Company has not spent the amount on CSR Activities as required under the provisions of Section 135 of Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII to the Act.	The CSR Budget for the financial year 2017 - 18 was ₹ 96.94 lacs, duly approved by the Board. The company has undertaken a project under Skill Development wherein financial assistance of ₹ 3.89 lacs was provided for fees of students whose education is being taken care of by M/s Manav Mandir Mission Trust located in Delhi. However, expenditure of ₹ 12.27 lacs incurred on health care and sanitation in the financial year 2017 - 18 relates to the CSR Budget for the financial year 2015- 16.

Launch of GEF-6 Programme

Annexure - VI

संख्या/ No. MAB-III/Rep/01-87/ A/cs-EESL/2018-19/ 796

भारतीय लेखा एवं लेखा परीक्षा विभाग
कार्यालय
प्रधान निदेशक, वाणिज्यिक लेखा परीक्षा
एवं पदेन सदस्य लेखा परीक्षा बोर्ड-III
नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT

OFFICE OF THE
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
& EX-OFFICIO MEMBER, AUDIT BOARD-III
NEW DELHI

दिनांक/Dated: 05/10/2018

सेवा में,

प्रबंध निदेशक,
एनर्जी एफिशिएंसी सर्विसेज लिमिटेड,
नोएडा

महोदय,

विषय: 31 मार्च 2018 को समाप्त वर्ष के लिये एनर्जी एफिशिएंसी सर्विसेज लिमिटेड, नोएडा के वार्षिक लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक एंव महालेखापरीक्षक की टिप्पणियाँ।

मै, एनर्जी एफिशिएंसी सर्विसेज लिमिटेड, नोएडा, के 31 मार्च 2018 को समाप्त वर्ष के लेखाओं पर कंपनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ। कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीय,

संलग्नः यथोपरि

(राज कुमार)
प्रधान निदेशक

छठा एवं सातवाँ तल, ऐनैक्सी बिल्डिंग, 10, बहादुरशाह ज़फर मार्ग, नई दिल्ली - 110002
6th & 7th floor, Annexe Building, 10 Bahadur Shah Zafar Marg, New Delhi -110002
Tel: 23239227, FAX: 23239211 e-mail: mabnewdelhi3@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF ENERGY EFFICIENCY SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2018.

The preparation of financial statements of Energy Efficiency Services Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29.05.2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Energy Efficiency Services Limited for the year ended 31 March 2018 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

(Raj Kumar)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi

Place: New Delhi
Date: 05 October,2018

Annexure - VII

गोपनीय

संख्या/ No. MAB-III/Rep/03-04/ CFS-EESL/2018-19/1082

भारतीय लेखा एवं लेखा परीक्षा विभाग

कार्यालय
प्रधान निदेशक, वाणिज्यिक लेखा परीक्षा
एवं पदेन सदस्य लेखा परीक्षा बोर्ड-III
नई दिल्ली

सत्यमेव जयते

INDIAN AUDIT & ACCOUNTS DEPARTMENT

OFFICE OF THE
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
& EX-OFFICIO MEMBER, AUDIT BOARD-III
NEW DELHI

दिनांक/Dated: 27/12/2018

सेवा में,

प्रबंध निदेशक,
एनर्जी एफिशिएंसी सर्विसेज लिमिटेड,
नोएडा

महोदय,

विषय: 31 मार्च 2018 को समाप्त वर्ष के लिये एनर्जी एफिशिएंसी सर्विसेज लिमिटेड, नोएडा, के Consolidated Financial Statements (CFS) पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) एवं धारा 129(4) के अन्तर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ।

मै एनर्जी एफिशिएंसी सर्विसेज लिमिटेड, नोएडा, के 31 मार्च 2018 को समाप्त वर्ष के Consolidated Financial Statements (CFS) पर कंपनी अधिनियम 2013 की धारा 143(6)(b) एवं धारा 129(4) के अंतर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ। कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

संलग्नः यथोपरि

भवदीय,

(राज कुमार)
प्रधान निदेशक

छठा एवं सातवाँ तल, ऐनैक्सी बिल्डिंग, 10, बहादुरशाह ज़फर मार्ग, नई दिल्ली - 110002
6th & 7th floor, Annexe Building, 10 Bahadur Shah Zafar Marg, New Delhi -110002
Tel: 23239227, FAX: 23239211 e-mail: mabnewdelhi3@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ENERGY EFFICIENCY SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2018

The preparation of consolidated financial statements of Energy Efficiency Services Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 10 December 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Energy Efficiency Services Limited for the year ended 31 March 2018 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Energy Efficiency Services Limited. Further, section 139(5) and 143 (6) (b) of the Act are not applicable to entities listed in Annexure I being private entities/ incorporated in Foreign countries under the respective laws for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditor nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

For and on the behalf of the
Comptroller & Auditor General of India

(Raj Kumar)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi

Place: New Delhi
Date: 27 December, 2018

Annexure - VIII

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry structure and development

In 2010, the **'National Mission for Enhanced Energy Efficiency' (NMEEE)**, a policy by govt. of India, has indicated ₹ 74,000 crores of investment potential for energy efficiency and conservation (EE&C) out of which ₹ 30,000 crores of potential exists in energy intensive industries and remaining ₹ 44,000 crores in the other key demand side economic sectors. World Bank's study report in November 2016 indicates that India's Energy Efficiency Market is at ₹ 1.6 Lakh Crores. The renewed Demand Side Management (DSM) market potential is estimated to be 178 billion kWh of energy savings per annum.

Till date, less than 10% of the overall market has been tapped through ESCO mode mainly in the areas of lighting and some industrial applications. Large scale deployments have been constrained by a number of important regulatory, institutional and financing barriers. EESL has been set-up to develop a viable ESCO industry in India.

In the last one year, EESL has been able to deploy and initiate large scale programs in domestic, agricultural and street lighting sectors. Demand aggregation strategies adopted by EESL have played a key role in cost reduction of these capital intensive technologies. The costs of domestic LEDs have been reduced by more than 80%. This cost reductions have further showcased the viability of the ESCO market in India.

EESL has also showcased new and innovative ESCO models including Standard Offer Program, On - bill financing and Vendor Financing. The emergence and success of these models have further energized the ESCO industry in India.

In 2013 Government of India launched National Electric Mobility Mission Plan (NEMMP) with a target of 6 to 7 million Electric Vehicles EVs on Indian roads by 2022. EVs in India is still in its infancy and require policy intervention by government to kick start the rollout to meet the NEMMP goals.

Smart metering is among the measures proposed by Government of India under both IPDS and UDAY schemes to improve the financial health of power DISCOMs. As per Power Ministry's strategy to roll out Advanced Metering Infrastructure (AMI), Smart Meters are to be installed in phases, aiming to cover a total consumer base of 250 million by 2027.

Outlook

The ESCO industry in India is headed in the right direction. The cost reduction attributed to aggregation strategies adopted by EESL and the success of its business model has created a positive outlook for EESL in the coming years.

Riding on the success and investments of the last year, EESL envisions distribution of around 77 crore domestic LED bulbs through its UJALA program and installation of 1.34 crore energy efficient street lights through its Street Lighting National Program (SLNP). This would form the backbone of the projects for EESL. SLNP will be expanded to cover states which are yet to join the programme. In case of UJALA, efforts will be made to increase the off-take of fans and tube lights.

This year EESL would try to adopt the best practices from its UJALA and SLNP programs to other programmes. Similarly, EESL would strengthen its programs for Electric Vehicle and Smart Meters, Building Energy Efficiency Program (BEEP) and Roof top Solar.

With the aim of "Creating and Sustaining market for energy efficiency", EESL has started working with multi and bilateral agencies for promotion of energy efficient technologies including Tri - generation, industrial chillers, smart grids and battery energy storage.

EESL's Strengths

EESL has developed in house expertise in execution of energy efficiency and demand side management projects. The team has immense knowledge of the key innovation in energy efficient technologies. In the last few years, EESL has developed excellent relationship with their core customer base - distribution utilities and municipal utilities. This would aid EESL's current planned projects including BEEP, and UJALA program for tube lights and energy efficient fan program. EESL currently has access to cheaper financing options from multi and bilateral agencies. This plays an important role in delivering value and better returns to our customers. EESL is one the very few organizations which has successfully executed large scale energy efficiency projects in the country.

EESL's Weaknesses

EESL is projected to grow at a break neck pace in the coming future. Availability of sufficient resources is a key challenge for EESL. The current equity base is small to fuel EESL growth in future. The Promoters have been infusing equity into the company from time to time as needed. However, considering the growth trajectory, EESL would need to explore all options for raising additional equity including an IPO. Considering the growth of EESL, availability of experienced human resources is also a significant weakness for EESL. For which, EESL has already started systematic recruitment.

Opportunities

EESL has excellent working relationship with distribution utilities. They also have a keen understanding of regulations and policies related to energy efficiency and demand side management. Their success in large scale deployment of energy efficient lighting technology makes them a prime candidate to develop and implementation project for other energy consuming technologies particularly fans and air conditioners.

EESL can also work with funding agencies to develop viable business models for large scale deployment of other innovative EE technologies including smart grids, tri-generation, and industrial chillers among other.

Overseas Opportunities: EESL's success in India also paves way for EESL to look at other emerging markets particularly in United Kingdom, Thailand, Vietnam, Malaysia, Myanmar, and Saudi Arabia,. International operations of EESL will focus on those locations, where revenues are high and profit margin are significant.

Threats, Risks and Concerns

EESL has showcased the success of Standard Offer Program and On-bill financing in implementation of energy efficient lighting programs. This has led to eagerness of utilities to execute of these programs independent of EESL. Further, the cost of debt for EESL should also be maintained at a sustainable level to ensure better returns for both EESL and their consumers.

The rapid deployment of these technologies can result in shortage in markets as the manufacturing capacity of the suppliers may not match EESL's requirement. This can also result in distribution of cheaper imports and low quality products in the market.

Internal Control System and their Adequacy

The Company maintains an adequate system of Internal Control including suitable monitoring procedures which ensures accurate and timely financial reporting of various transactions, efficiency of operations and compliance with statutory laws, regulations and Company policies. Suitable delegations of power and guidelines for accounting have been issued for uniform compliance. In order to ensure that adequate checks and balances are in place and internal control systems are in order, regular and exhaustive Internal Audit are conducted internally by experienced firms of Chartered Accountants.

Further to complement the internal controls, EESL has already implemented an ERP system.

Material Developments in Human Resources/Industrial Relations

The Total manpower of the Company as on 31st March 2018 stands at 931 which includes 246 regular employees, 157 fixed term employees, 3 consultants, 525 third party employees. With this talent pool bearing a unique mix of experienced and fresh executives and staff, the project execution capabilities are enhanced manifold.

Discussion on Financial Performance

During the financial year, the Company registered an increase of ₹ 205.08 crore in revenue from operations which went up to ₹ 1355.94 crore from ₹ 1150.86 crore during the financial year 2016 - 17. Profit before tax was at ₹ 61.50 crore in 2017 - 18 in comparison to ₹ 81.65 crore in 2016 - 17. Net profit of the Company in 2017 - 18 is ₹ 39.46 crore. Net worth of the Company as on March 31, 2018 has increased by 16.04% (from ₹ 555.34 crore to ₹ 644.43 crore).

During the financial year 2017 - 18, fixed assets increased to ₹ 2142.96 crores in comparison to ₹ 968.01 crores in 2016 - 17. Increase in fixed asset was contributed by increase in implementation of projects.

Environmental Protection and Conservation

The projects executed by EESL till the end of last financial year i.e. 2017-18 saved over 40 billion kWh of energy per year, avoided peak demand of over 8,000 MW and over 32 million tonnes of CO_2 annually. The numbers may increase as more projects are planned in future.

EESL has also takes proper care in destroying the old lighting inventory replaced during the projects to prevent mercury and lead contamination. This inventory is destroyed as per the guidelines set by the electricity regulatory commission and local pollution control committee.

Segment-Wise or Product-Wise Performance

Till financial year 2017-18, EESL has executed its projects across all 36 States and Union Territories. Till 31st March, 18, EESL has completed the distribution of over 29.46 crore LED bulbs, 16.57 lakh Energy Efficient Fans & 58.28 lakh LED Tube lights and installation of 54.77 lakh LED street lights.

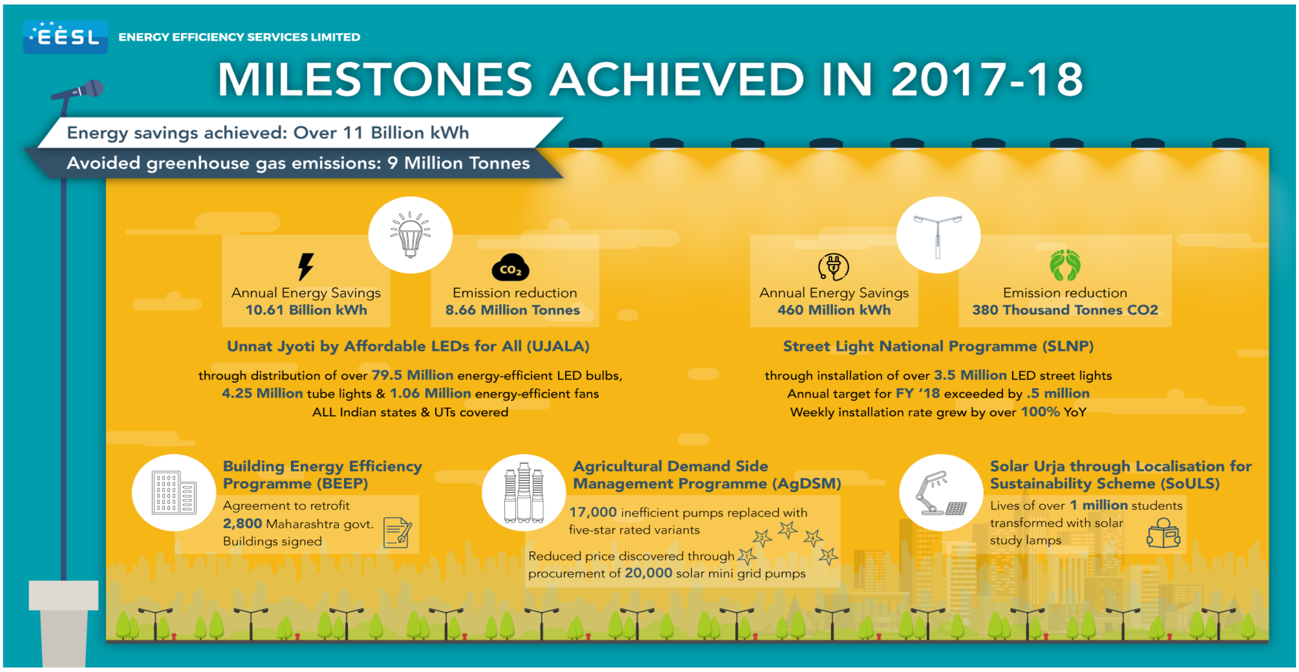
Cautionary Note

Certain statements in "Management Discussion and Analysis" section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Management envisages in terms of future performance and outlook.

For and on Behalf of the Board of Directors
Energy Efficiency Services Limited

Shri Rajeev Sharma
Chairman
(DIN: 00973413)

Date: 28.12.2018
Place: New Delhi



The image depicts the pathbreaking milestones achieved in the year 2018

Annexure - IX

Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(i) The ratio of remuneration of each director to the median remuneration of employees of the company for the financial year 2017 - 18 & percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Director, Company Secretary or Manager, if any, in the financial year.

S. N.	Name of Director / KMP and Designation	Remuneration of Director / KMP for F.Y. 2016 - 17**** (Rs. In Lacs)	Remuneration of Director / KMP for F.Y. 2017-18**** (Rs. In Lacs)	% increase in Remuneration in the F.Y. 2017 - 18	Median Remuneration (F.Y. 2017-18) *** (Rs. In Lacs)	Ratio of remuneration of each Director to median remuneration of employees	Median Remuneration (F.Y. 2016 - 17) *** (Rs. In Lacs)	% Increase in median
1	Shri Saurabh Kumar	42.13	47.03	11.63	9.94	4.73	7.82	27.11%
2	Ms. Renu Narang *	NIL	3.49	NA*	9.94	NA*	7.82	27.11%
3	Shri S. Gopal**	27.23	36.32	NA**	9.94	3.65	7.82	27.11%
4	Ms. Pooja Shukla	18.39	20.24	10.06	9.94	2.04	7.82	27.11%

* Appointed as Whole - Time Director (Finance) w.e.f. 1st March, 2018

** Appointed as CFO w.e.f 8th June, 2016

*** Median Remuneration of permanent employees on rolls of the company

**** Remuneration also includes leave encashment and Variable Performance related pay.

(ii) The percentage increase in the median remuneration of employees in the financial year.	27.11%
(iii) Number of permanent employees on rolls of the company.	As on 31st March, 2018 : 246 As on 31st March, 2017 : 165
(iv) Average percentile increase already made in the salaries of employees of other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There was average increase of 3% in the remuneration of employees of the company including managerial personnel
(v) Affirmation that the remuneration is as per the remuneration policy of the company	

(vi) Particulars of Top 10 Employees in terms of Remuneration drawn:

S. N.	Name & Designation	Nature of Employment (whether contractual or otherwise)	Remuneration Received (Rs. In Lacs)	Qualification	Date of Commencement of Employment	Age (DOB)	Last Employment	Number of Equity Shares held in the Company	If relative of any Director or Manager, name of such Director or Manager
1	Shri Saurabh Kumar (Managing Director)	Permanent	47.03	B. Tech (IIT Kanpur), Masters in Public Policy	06.05.2013	51 years (14.12.1967)	UNEP	Nil	NA
2	Shri Deepak Garg (AGM - Finance)	Permanent	37.90	B.Com (hons), CA (ICAI), C.W.A (ICWAI)	27.12.2013	45 years (13.09.1973)	Indian Renewable Energy Development Agency Ltd.	Nil	NA

3	Shri Shankar Gopal (CGM - Finance)	Permanent	36.31	B.Com (hons), C.W.A (ICWAI)	08.06.2016	51 years (08.07.1967)	Power Grid Corpora-tion of India Limited	Nil	NA
4	Shri Sameer Agarwal (AGM - Finance)	Permanent	30.85	B.Com (hons), CA (ICAI), C.W.A (ICWAI)	09.01.2014	50 years (07.07.1968)	RailTel	Nil	NA
5	Shri Venkatesh Dwivedi (Chief Operating Officer)	Permanent	29.67	B.E., MBA (IIM Kolkata), Energy Auditor	07.10.2013	49 years (26.05.1969)	Take solutions Global LLP	Nil	NA
6	Shri Sudeep Bhar (AGM - HR)	Permanent	29.02	Phd. Management, PG - Personnel Management and Industrial Relation, BA-Humanities	01.02.2016	44 years (18.10.1974)	BVFCL	Nil	NA
7	Shri Tarun Tayal (AGM - BD)	Permanent	28.48	B.Com (Hons), MBA - University of ENPC, Paris	07.11.2013	40 years (31.08.1978)	Ameriprise Financial	Nil	NA
8	Shri Jaspal Singh Aujla (CGM - Technical)	Permanent	26.06	B.E., M. Tech., MBA	29.10.2013	52 years (27.06.1969)	Sant Longowal Institute of Engineering and Technology	Nil	NA
9	Shri Rajneesh Rana (GM - Contracts & BD)	Permanent	25.99	B. Com, MBA, PG Diploma in International Law	10.10.2013	42 years (25.03.1976)	Indian Potash Limited	Nil	NA
10	Shri Mohit Khatri (AGM - Finance)	Permanent	25.81	B.Com (hons), CA (ICAI)	02.12.2013	47 years (28.12.1970)	Birlasoft India Pvt Ltd	Nil	NA

Note:

a. Remuneration is as per the Remuneration Policy of the Company.

b. The Remuneration for the purpose of above table is defined as Total Cost of the Company (TCC) which includes variable Performance related pay.

c. In terms of the provisions of Section 197(12) of the Companies Act,2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no employee of the Company employed throughout the year who was in receipt of remuneration of Rupees one crore and two lacs or more in a year. Further, during the year under review, there was no employee of the Company employed for a part of year who was in receipt of remuneration of rupees eight lacs and fifty thousand or more per month.

For and on Behalf of the Board of Directors
Energy Efficiency Services Limited

Shri Rajeev Sharma
Chairman
(DIN: 00973413)

Date: 28.12.2018
Place: New Delhi

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ENERGY EFFICIENCY SERVICES LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Energy Efficiency Services Limited (`the Company'), which comprise the balance sheet as at 31st March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments. The auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone Ind AS financial statements.

Basis of Qualified Opinion

1.

a) Attention is .invited to the Note 10 to the Financial Statements on the accounting treatment of Trade Receivables. These receivables are due from government-controlled entities (both central and state government) and other customers. Significant amount is outstanding for the period of more than 360 days which accounts for about 45% of total outstanding as on 31-03-2018, the management has given explanation that such long overdue outstanding have arisen in the normal course of business.

Attention is invited to Note no. 40 with regard to financial risk management of Trade receivables in the Financial Statements which is stated as under:

"*The Company earns its revenue mainly .from government-controlled entities (both central and state government). As these entities are government controlled, the counter party risk attached to such receivables are considered to be insignificant. For rest of the customers, Company evaluates and manages its credit risk by taking into consideration the ageing of the dues, specific credit circumstances, nature of the customers and credit worthiness of the customers. The Impairment loss allowance is assessed by the company using life time EC L approach which is based on the business environment in which the company operates. The trade receivables are considered in default (credit impaired) when the possibility of recovery of receivables based on assessment/evaluation on the parameters stated above are deteriorating and are required to be provided for allowance on doubtful receivables in a systematic manner. The Company has not experienced any significant impairment losses in respect of trade receivables in the past years. Since the Company has its customers within different slates of India, geographically there is no concentration of credit risk.*"

As required under the above provisioning policy of the company, the management has not furnished assessment/evaluation of credit risk based on factors such as ageing of dues, specific credit circumstances, nature and credit worthiness of the non-government-controlled entities/customers. Therefore, we are unable to quantify the impact on the financial statements on account of possible allowance on doubtful trade receivables due to expected credit loss in case of default (except those mentioned below which are under litigation for recovery).

b) Attention is invited to Note No. 40 (ii) (b) with regard to Financial assets for which loss allowance is measured using life time expected credit losses in the Financial Statements, which is stated as under:

"*The Company has customers with capacity to meet the obligations and therefore the risk of default is low. Further, management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour. However, an allowance for doubtful receivables of ₹ 196.64 Lakhs (31 March 2017: ₹ Nil) has been recognised during the year to the extent of 10% of the total outstanding of ₹ 1966.-40 lakhs in respect of cases which are under litigation for recovery*".

Though as per management prudence an allowance of ₹ 196.64 lakhs on doubtful receivables has been recognised during the year which is to the extent of 10% of the total outstanding of ₹ 1966.40 lakhs in respect of cases under litigation for recovery, in our opinion such cases are still to be assessed/evaluated for ascertaining credit risk based on factors such as ageing of dues, specific credit circumstances, nature and credit worthiness of the customers as defined in the policy of the management for the purpose of creating allowance on such doubtful trade receivables due to expected credit loss in case of default. In absence of aforesaid evaluation of such cases by the management, we are unable to quantify the actual impact on the financial statements on account of further possible allowance on such doubtful trade receivables (which are under litigation for recovery) due to expected credit loss in case of default.

2. Attention is invited to the Note no. 33 to the Financial Statements on the accounting treatment of Advertisement expenses. During the financial year 2017-18, the company has incurred expenditure amounting to ₹ 8.77 cr on advertisement out of which ₹ 6.38 cr has been deferred as prepaid expenses which is shown under the head "Other Current Assets" (Note no. 15 to the financial statements). Such treatment of revenue expenditure is not consistent with the principles enunciated under Ind AS 38, "Intangible Assets". This was also a subject matter of qualification in previous auditor's report on the financial statements for the year ended 31 March 2017.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in paragraphs 1 & 2 of the basis for qualified opinion paragraph above, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2018 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

1. Attention is invited to Note no. 10(c) on Trade Receivables and Note no. 24(c) on Trade Payables in the Financial Statements which state that Trade Receivables and Trade Payables are subject to confirmations, reconciliation and consequential adjustments that may arise on reconciliation.

2. Attention is invited to Note no. 15(b) and Note No. 26(a) to the Financial statements which state that the sales, corresponding output tax liability and purchases along with corresponding input tax credit reported in GST and VAT returns, the net input tax credit receivable or the net output tax liability payable, as the case may be, are subject to reconciliation with the books of accounts. Differences which will be identified on reconciliation of GST/VAT returns will be addressed in annual GST/VAT statements/Revised returns to be filed in due course.

3. Attention is invited to note no. 40 (ii) (c) on Financial Risk Management which states that the company has not made a provision of ₹ 16.50 crores on account of subsidy not received from Delhi Government/DERC as per the recommendation made by the CAG of India in their report dated 18th October 2017 issued to company. However, the management is of the view that the recovery is being followed up with concerned authority, which is under review and the management is confident for recovery of their dues.

Our opinion is riot modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required under section 143(5) of the Companies Act, 2013, we give in the Annexure I, a revised statement on the directions issued by the Controller and Auditor General of India after complying with the suggested methodology of Audit, the action taken thereon and its impact on the accounts and financial statements of the company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

3. As required by Section 143(3) of the Act, we report that:

   a. We have sought and, except for the matter described in sub paragraph 1 & 2 of the basis for the qualified opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. in our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper records adequate for the purpose of our audit have been received from the branches not visited by us;

   c. the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

   d. in our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

e. on 'the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and our report express an unmodified opinion of the adequacy and operating effectiveness of the company's internal financial control over financial report.

g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. no amount is required to be transferred, to the Investor Education and Protection Fund by the Company; and

For VPGS & Co.
Chartered Accountants
Firm's registration number: 507971C

Gulshan Gaba
Partner
Membership number: 088726

Place: New Delhi
Date: 29th May, 2018

EPAL, a joint venture between India's EESL & UK based EnergyPro Asset Management Ltd acquired Edina, the UK's leading total solutions provider for CHP, gas and diesel power generation.

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for the project equipment's and Capital work in progress (CWIP). In our opinion proper records showing full particulars, including quantitative details and situation of project equipment's and CWIP should also be maintained.

(b) According to the information and explanations given to us there is a regular program of physical verification of its fixed assets except for project equipment's for which verification is done at the time of installation only. In our opinion, verification of the project equipment's should be done at reasonable intervals. As per management, no material discrepancies were noticed on physical verification of fixed assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) (a) The management has conducted the physical verification of inventory at year end and at some places the same has been conducted by third parties. In our opinion, there should be a method to verify stocks at reasonable intervals and the system of physical verification also needs to be strengthened and should also be extended to stocks kept under capital work in progress.

(b) According to the information and explanations, the discrepancies noticed on physical verification of the inventory as compared to book records has been properly dealt with in the books of account and were not material.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(v) According to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provision of the Companies Act, 2013 and rules framed thereunder.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) (a) The Company is regular in depositing undisputed statutory dues including Provident Employees State Insurance, Investor Education and Protection Fund, Wealth Tax, Service Tax, Custom Duty, Excise Duty / Cess and other material statutory dues with appropriate authorities except WCT payable of Kerala and AP which is still unpaid for Rs 26,24,192/- for 1st Qtr end June 2017 has not been deposited.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of sales tax, Income Tax, duty of customs which have not been deposited with the appropriate authorities on account of any dispute except as follows:

Name of the statute	Nature of dues	Amount (₹ In Cr)	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	37.04 (Amount already paid under protest)	F.Y 2014-15	Sales Tax Appellate Tribunal, Andhra Pradesh
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	12.91	F.Y 2015-16	CTO Visakhapatnam
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax Penalty	9.25 (Rs 1.15 Cr Deposited for stay)	F.Y 2014-15	Addl. Commissioner (CT) Legal, Vijaywada

(viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of any loans or borrowings from any financial institution, banks, government or debenture holders during the year.

(ix) In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during our audit except for one case of an employee Mr. Raunak Bandopadhyay against which, writ petition has been filed with The Honorable High Court of Kolkata.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards except that we could not verify whether consent of the Board of Directors given by a resolution at a meeting of the Board have been obtained for entering into transactions with related parties.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made offer for RIGHT ISSUE under private placement of Equity shares to its existing shareholders in proportion to their shareholding on the date of offer and also made private placement of unsecured, redeemable, non-convertible Bonds/debentures of ₹ 775 Cr during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For VPGS & Co.
Chartered Accountants
Firm's registration number: 507971C

Gulshan Gaba
Partner
Membership number: 088726

Place: New Delhi
Date: 29th May, 2018

EESL is enabling more lives in states with less than 50% grid connectivity by implementing MNRE's '70 Lakh Solar Study Lamp Scheme'.

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Energy Efficiency Services Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (I) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, except for the effects under the paragraphs - “Basis of Qualified opinion" of Independent Audit Report described above on the achievement of the objectives of the control criteria, Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For VPGS & Co.
Chartered Accountants
Firm’s registration number: 507971C

Gulshan Gaba
Partner
Membership number: 088726

Place: New Delhi
Date: 29th May, 2018

ENERGY EFFICIENCY SERVICES LIMITED
STANDALONE BALANCE SHEET AS AT 31 MARCH 2018

₹ in Lakhs

Particulars	Note No.	As at 31 March, 2018	As at 31 March, 2017
ASSETS			
Non-current Assets			
Property, plant and equipment	2	**83,372.59**	60,109.90
Capital work-in-progress	3	**1,29,348.91**	36,618.37
Intangible assets	4	**1,576.08**	72.78
Investments in subsidiary and joint venture companies	5	**19,369.08**	189.04
Financial assets			
Loans	6	**465.93**	127.59
Other financial assets	7	**1,848.02**	10,116.07
Other non-current assets	8	**1,683.56**	594.62
Total non-current assets		**2,37,664.17**	1,07,828.37
Current assets			
Inventories	9	**29,993.41**	15,464.97
Financial assets			
Trade receivables	10	**1,16,182.54**	80,140.76
Cash and cash equivalents	11	**52,066.97**	26,467.08
Bank balances other than cash and cash equivalents	11A	**5,437.22**	5,767.04
Loans	12	**153.34**	66.36
Other financial assets	13	**6,333.58**	8,050.65
Current tax assets (net)	14	**2,545.68**	622.74
Other current assets	15	**24,369.21**	13,247.35
Total current assets		**2,37,081.95**	1,49,826.95
TOTAL ASSETS		**4,74,746.12**	2,57,655.32
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	**46,200.00**	46,200.00
Other equity	17	**18,242.96**	9,333.79
Total equity		**64,442.96**	55,533.79
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18	**1,75,420.16**	82,623.86
Other financial liabilities	19	**8,019.85**	5,194.96
Provisions	20	**410.39**	223.16
Deferred tax liabilities (net)	21	**180.29**	8.38
Other non-current liabilities	22	**624.93**	43.95
Total non-current liabilities		**1,84,655.62**	88,094.31
Current liabilities			
Financial liabilities			
Borrowings	23	**63,500.00**	35,000.00
Trade payables	24	**1,28,526.81**	45,869.51
Other financial liabilities	25	**26,934.59**	17,214.64
Other current liabilities	26	**6,119.98**	15,607.95
Provisions	27	**566.16**	10.82
Current tax liabilities (net)		**-**	324.30
Total current liabilities		**2,25,647.54**	1,14,027.22
TOTAL EQUITY AND LIABILITIES		**4,74,746.12**	2,57,655.32
Significant Accounting Policies	1		

The accompanying notes 1 to 50 form an integral part of these financial statements.

For and on behalf of the Board of Directors

As per our audit report of even date annexed.

For VPGS & Co.
Chartered Accountants
FRN 507971C

Saurabh Kumar
Managing Director
DIN : 06576793

Renu Narang
Director Finance/CFO
DIN : 08070565

Pooja Shukla
Company Secretary

Gulshan Gaba
Partner
M. No. 088726

Place : New Delhi
Date : 29th May, 2018

ENERGY EFFICIENCY SERVICES LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

₹ in Lakhs

Particulars	Note No.	For the year ended 31 March 2018	For the year ended 31 March 2017
Income			
Revenue from operations	28	**1,35,594.27**	1,15,086.03
Other income	29	**5,476.03**	7,632.37
Total income		**1,41,070.30**	1,22,718.40
Expenses			
Purchase of stock-in-trade		**1,01,153.80**	80,002.15
Distribution expenses (Ujala)		**4,901.04**	8,188.53
Media expenses (Ujala)		**861.04**	2,015.12
(Increase)/Decrease in inventories	30	**(14,528.44)**	2,485.60
Employee benefits expense	31	**3,922.75**	2,090.66
Finance costs	32	**13,305.45**	6,156.09
Depreciation and amortization expense	2	**13,327.71**	5,543.57
Other expenses	33	**11,976.72**	8,071.47
Total expenses		**1,34,920.07**	1,14,553.19
Profit before tax		**6,150.23**	8,165.21
Tax expense	34		
Current tax			
Current year		**1,606.52**	3,110.27
Earlier years		**421.40**	(5.44)
Deferred tax credit		**176.06**	(125.26)
Total tax expense		**2,203.99**	2,979.57
Profit for the year		**3,946.24**	5,185.64
Other comprehensive income/ (expense)			
Items that will not be reclassified to profit or loss (net of tax)			
- Net actuarial losses on defined benefit plans		**(7.85)**	(4.35)
Other comprehensive income/ (expense) for the year, net of income tax		**(7.85)**	(4.35)
Total comprehensive income for the year		**3,938.39**	5,181.29
Earnings per equity share (Par value ₹ 10/- each)	35		
Basic (₹)		**0.85**	1.17
Diluted (₹)		**0.85**	1.17

The accompanying notes 1 to 50 form an integral part of these financial statements.

For and on behalf of the Board of Directors

As per our audit report of even date annexed.

For VPGS & Co.
Chartered Accountants
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Date : 29th May, 2018

ENERGY EFFICIENCY SERVICES LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

₹ in Lakhs

	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	**6,150.23**	8,165.21
	Adjustment for:-		
	Depreciation and amortization expense	**13,327.71**	5,543.57
	Interest income	**(1,422.01)**	(1,493.49)
	Net loss on foreign currency transactions and translation	**3,975.85**	(1,974.18)
	Deferred rent expense	**29.03**	16.56
	Allowance for doubtful receivables	**196.64**	-
	Finance costs	**9,431.17**	5,179.30
	Operating profit before working capital changes	**31,688.62**	15,436.97
	Adjustment for:		
	(Increase) in Trade receivables	**(36,238.42)**	(45,640.95)
	(Increase)/ Decrease in Inventories	**(14,528.44)**	3,425.42
	(Increase) in loans, other financial assets and other assets	**(1,631.63)**	(7,491.01)
	Increase in trade payables, other financial liabilities and other liabilities	**88,613.51**	46,394.61
	Increase in provisions	**730.57**	131.22
	Cash generated from operations	**36,945.59**	(3,180.70)
	Income tax paid	**(4,275.16)**	(2,732.79)
	NET CASH FROM/ (USED IN) OPERATING ACTIVITIES - A	**64,359.05**	9,523.47
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Acquisition of property, plant and equipment and intangible assets	**(37,159.07)**	(38,062.15)
	Additions to capital work-in-progress	**(90,559.73)**	(21,912.30)
	Interest income	**1,422.01**	1,493.49
	Investment in subsidiary and joint venture companies	**(19,180.04)**	(189.04)
	Bank balances other than cash and cash equivalents	**329.82**	(5,341.76)
	NET CASH USED IN INVESTING ACTIVITIES - B	**(1,45,147.01)**	(64,011.76)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from non-current borrowings	**91,756.40**	45,148.58
	Repayment of non-current borrowings	**(10,000.00)**	-
	Proceeds from current borrowings	**28,500.00**	6,500.00
	Finance costs	**(8,835.23)**	(3,780.70)
	Issue of equity share capital	**-**	9,900.00
	Share application money (pending allotment)	**9,900.00**	-
	Share issue costs	**(25.01)**	(19.42)
	Dividend paid	**(4,074.67)**	(1,067.72)
	Tax on dividend	**(829.54)**	(223.37)
	Axis credit card	**(4.10)**	0.98
	NET CASH FROM FINANCING ACTIVITIES - C	**1,06,387.85**	56,458.35
D.	**Net increase in cash and cash equivalents (A+B+C)**	**25,599.88**	1,970.06
	Cash and cash equivalents at the beginning of the year (see Note 1&2 below)	**26,467.08**	24,497.02
	Cash and cash equivalents at the end of the period (see Note 1&2 below)	**52,066.97**	26,467.08

Notes:

1. Cash and cash equivalents consists of cash on hand and balance with banks.
2. Reconciliation of cash and cash equivalents:

Cash and cash equivalents as per Note-11		
Cash on hand- Imprest	**5.30**	8.04
Balance with banks - Current accounts	**52,061.67**	26,459.04
	52,066.97	26,467.08

3. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

₹ in Lakhs

Particulars	Non-current borrowings*	Current borrowings	Interest on borrowings
Opening balance as at 1 April 2017	92,623.86	35,000.00	2,299.00
Cash flow during the year	81,756.40	28,500.00	(8,835.23)
Non-cash changes due to:			
- Variation in exchange rates	5,598.67	-	-
- Interest accrued	-	-	11,933.16
Closing balance as at 31 March 2018	**179,978.93**	**63,500.00**	5,396.93

* Includes current maturities of non-current borrowings, refer Note 25.

4. Refer Note 40 for details of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments.

For and on behalf of the Board of Directors

As per our audit report of even date annexed.

For VPGS & Co.
Chartered Accountants
FRN 507971C

Saurabh Kumar
Managing Director
DIN : 06576793

Renu Narang
Director Finance/CFO
DIN : 08070565

Pooja Shukla
Company Secretary

Gulshan Gaba
Partner
M. No. 088726

Place : New Delhi
Date : 29th May, 2018

Under the BEEP Programme, EESL signed an MoU with the Airports Authority of India (AAI) for installing energy-efficient LED lights at airports in the august presence of Shri. Ajay Kumar Bhalla, Secretary, Ministry of Power

ENERGY EFFICIENCY SERVICES LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

A. Equity share capital

₹ in Lakhs

Balance as at 1 April 2017	46,200.00
Changes in equity share capital during the year	-
Balance as at 31 March 2018	**46,200.00**

₹ in Lakhs

Balance as at 1 April 2016	16,500.00
Changes in equity share capital during the year	29,700.00
Balance as at 31 March 2017	**46,200.00**

B. Other equity

For the year ended 31 March 2018

₹ in Lakhs

Particulars	Reserves & surplus			Total
	Share application money pending allotment	Debenture redemption reserve	Retained earnings	
Balance as at 1 April 2017	**-**	**1,452.99**	**7,880.80**	**9,333.79**
Profit for the year	-	-	3,946.24	**3,946.24**
Other comprehensive income/ (expense)	-	-	(7.85)	**(7.85)**
Total comprehensive income	**-**	**-**	**3,938.39**	**3,938.39**
Addition during the year	9,900.00	-	-	**9,900.00**
Transfer to/(from) retained earnings	-	5,062.22	(5,062.22)	-
Transaction cost arising on increase in authorised share capital, net of tax	-	-	(25.01)	**(25.01)**
Final dividend (including tax) for FY 2016-17 (refer note 16)	-	-	(3,341.45)	**(3,341.45)**
Interim dividend (including tax) for FY 2017-18 (refer note 16)	-	-	(1,562.76)	**(1,562.76)**
Balance as at 31 March 2018	**9,900.00**	**6,515.21**	**1,827.75**	**18,242.96**

B. Other equity

For the year ended 31 March 2017

₹ in Lakhs

Particulars	Reserves & surplus			Total
	Share application money pending allotment	Debenture redemption reserve	Retained earnings	
Balance as at 1 April 2016	**19,800.00**	**-**	**5,463.02**	**25,263.02**
Profit for the year	-	-	5,185.63	**5,185.63**
Other comprehensive income	-	-	(4.35)	**(4.35)**
Total comprehensive income	**-**	**-**	**5,181.28**	**5,181.28**
Issue of equity shares	(19,800.00)	-	-	**(19,800.00)**
Transfer to/(from) retained earnings	-	1,452.99	(1,452.99)	-
Transaction cost arising on issue of equity shares, net of tax	-	-	(19.42)	**(19.42)**
Final dividend (including tax) for FY 2015-16 (refer note 16)	-	-	(1,291.09)	**(1,291.09)**
Balance as at 31 March 2017	**-**	**1,452.99**	**7,880.80**	**9,333.79**

For and on behalf of the Board of Directors

As per our audit report of even date annexed.

For VPGS & Co.
Chartered Accountants
FRN 507971C

Saurabh Kumar
Managing Director
DIN : 06576793

Renu Narang
Director Finance/CFO
DIN : 08070565

Pooja Shukla
Company Secretary

Gulshan Gaba
Partner
M. No. 088726

Place : New Delhi
Date : 29th May, 2018

Notes to Standlone financial statements

1. Company Information and Significant Accounting Policies

A. Reporting entity

"Energy Efficiency Services Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: U40200DL2009PLC196789). The Company has its debt securities listed on BSE Limited. The address of the Company's registered office is 4th Floor, Sewa Bhawan, R.K. Puram, New Delhi - 110066.

The Company is a Joint Venture of NTPC Limited, Power Finance Corporation Limited, Rural Electrification Corporation Limited and Power Grid Corporation of India Limited and is engaged in implementation of energy efficiency projects. It acts as the resource center for capacity building for State Distribution Companies (DISCOMs), Energy Regulatory Commissions (ERCs), State Development Authorities (SDAs), upcoming ESCOs, financial institutions, etc.

B. Basis of preparation

1. Statement of Compliance

These standalone financial statements are prepared on accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable) and applicable provisions of the Companies Act, 1956, to the extent applicable.

These financial statements were authorised for issue by Board of Directors on 29 May 2018.

2. Basis of measurement

The financial statements have been prepared on the historical cost except for:

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments); and
- Plan assets in the case of employees defined benefit plans that are measured at fair value.

The methods used to measure fair values are discussed in notes to the financial statements.

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

3. Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is the Company's functional currency. All financial information presented in ₹ has been rounded to the nearest lakhs (upto two decimals), except as stated otherwise.

4. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;"
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets/liabilities are classified as non-current.

C. Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

The Company has elected to utilize the option under Ind AS 101 by not applying the provisions of Ind AS 16 & Ind AS 38 retrospectively and continue to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS. Therefore, the carrying amount of property, plant and equipment and intangible assets as per the previous GAAP as at 1 April 2015, i.e. the Company's date of transition to Ind AS, were maintained on transition to Ind AS.

1. Property, plant and equipment

1.1. Initial recognition and measurement

An item of property, plant and equipment is recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Items of property, plant and equipment are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Project Development Cost incurred on ESCO Model Energy Efficiency Projects other than LED projects undertaken by the Company are recognised as property, plant and equipments.

Project Development Cost includes purchase price, taxes and duties, labour cost and any other cost directly attributable to the implementation of the project or acquisition of property, plant and equipment are allocated on systematic basis on implementation of projects, incurred up to the date when the asset is ready for its intended use.

When parts of an item of property, plant and equipment have different useful lives, they are recognised separately.

In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalisation is done on provisional basis subject to necessary adjustment in the year of final settlement.

1.2. Subsequent costs

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the Company and the cost of the item can be measured reliably.The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

1.3. Decommissioning costs

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

1.4. Derecognition

Property, plant and equipment is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on derecognition of an item of property, plant and equipment are determined by comparing the proceeds from disposal, if any, with the carrying amount of property, plant and equipment, and are recognised in the statement of profit and loss.

1.5. Depreciation

Depreciation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation is provided on pro rata basis on Straight Line Method using the rate arrived on usefull lives of assets, specified in part C of Schdule II thereto of the Companies Act 2013.

Freehold land is not depreciated.

Estimated useful lives of the assets, based on technical assessment, which are different in certain cases from those prescribed in.

Schedule II to the Act, are as follows:

Nature of assets	Life of property, plant and equipment
Cell phones	2 years
ESCO projects other than LED projects	Project period
Lease hold improvement	Lease period
Residential assets	3 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions to/deductions from property, plant & equipment during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposed.

Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, the unamortised balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/ amortisation.

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortised depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

2. Capital work-in-progress

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets. If the ESCO Model Energy Efficiency project doesn't materialise, then the expenditure incurred in respect of the same will be charged to Statement of Profit and Loss in that year.

3. Intangible assets

3.1. Initial recognition and measurement

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortisation and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

3.2. Derecognition

An intangible asset is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on derecognition of an item of intangible assets are determined by comparing the proceeds from disposal, if any, with the carrying amount of intangible assets and are recognised in the statement of profit and loss.

3.3. Amortisation

Cost of software recognised as intangible asset, is amortised on straight line method over a period of legal right to use or 3 years, whichever is less.

4. Borrowing costs

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 – 'Financial Instruments' and (b) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalised. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalisation of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition or construction of the qualifying asset.

Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalisation. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete.

Other borrowing costs are recognised as an expense in the year in which they are incurred.

The borrowing cost proportionate to the unutilised amount of borrowings are being kept for utilization of qualifying assets being carried forward for capitalization in the subeseqent year of utilization.

5. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

6. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

7. Government grants

Government grants related to assets are recognized initially as deferred income when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. Grants that compensate the Company for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the related asset. Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and deducted from the related expenses.

8. Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/ independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

9. Foreign currency transactions and translations

Transactions in foreign currencies are initially recorded at the prevailing exchange rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated by applying the RBI reference rate at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of property, plant & equipment recognised upto 31 March 2016 are adjusted to carrying cost of property, plant & equipment.

Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

10. Revenue

Company's revenues arise from sale of goods, rendering of services and other income. Revenue from other income comprises interest from banks, employees, customers, other miscellaneous income, etc.

10.1. Revenue from sale of goods

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

10.2. Revenue from rendering of services

Revenue from services rendered is generally recognized in proportion to the stage of completion of the transaction at the reporting date. Revenue is recognized when the following conditions are met:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably. The revenue recognition in respect of the various streams of revenue is described as follows:

Streetlight and agricultural pumps projects:

Revenue from supply & installation of street lights and agricultural pumps projects is recognised in the statement of profit and loss based on the agreement with the customer on accrual basis.

Consultancy service projects:

Revenue from consultancy services rendered is recognised in the statement of profit and loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to actual progress/technical assessment of work executed, in line with the terms of the respective contracts.

E-vehicles leases:

Revenue from leases of e-vehicles is recognised as per policy no. C.13.2.

10.3. Other income

Interest income is recognised, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

For debt instruments measured at amortised cost, interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

The interest/surcharge on late payment/overdue sundry debtors for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.

10.4. Expenses

Expenses are accounted for on accural basis and provision is made for all known losses and liabilites.

10.5. Expenses on Consultancy Contracts

Expenses on consultancy contracts are accounted for proportionate to income accounted for based on the progress of service rendered on that contract.

10.6. Expenses on Awareness on UJALA programme

Expenses incurred on advertisement / awareness on DELP / UJALA programme in the state is charged to statement of profit and loss in proportionate to LED bulbs distributed in current year vis-a-vis the total targeted LED bulbs distribution for that respective state at the begining of year and balance amount is carried forward for charging to statement of profit and Loss in subsequent years. Similary expenses incurred on National Media Campaining for DELP / UJALA programme is charged to statement of profit & loss in proptionate to the total LED bulbs distributed in current financial year vis-a-vis the overall targeted LED bulbs distribution under DELP/ UJALA programme at the begining of the year and balance amount is carried forward for charging to statement of Profit & Loss in subsequent years.

11. Employee benefits

11.1. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefits expense in the statement of profit and loss in the period during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due after more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

The Company pays fixed contribution to Provident Fund at predetermined rates to regional provident fund commissioner. During the previous year, company has set up a trust for Contributory Superannuation Scheme which provides pension benefits and company pays a fixed contribution to the trust.

The contributions to both the funds for the year are recognised as expense and are charged to the statement of profit and loss.

11.2. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company’s liability towards gratuity are in the nature of defined benefit plans. The Company contributes to (Life Insurance Corporation of India) a fund set up by the Company and administered by a board of trustees with respect to its gratuity obligation.

The Company’s net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company’s obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities. Any actuarial gains or losses are recognised in other comprehensive income (OCI) in the period in which they arise.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in statement of profit and loss.

11.3. Other long-term employee benefits

Benefits under the Company’s leave encashment constitute other long term employee benefit. The Company’s net obligation in respect of leave encashment is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company’s obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognised in the statement of profit and loss in the period in which they arise.

11.4. Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

12. Income tax

Income tax expense comprises current and deferred tax. Current tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in OCI or equity, in which case it is recognised in OCI or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in OCI or equity, in which case it is recognised in OCI or equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time that the liability to pay the related dividend is recognised.

13. Leases

13.1 Accounting for operating leases- As lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are recognized as an expense on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

13.2 Accounting for operating leases- As lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

14. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in statement of profit and loss. Impairment losses recognised in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

15. Operating segments

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate expenses, finance expenses and income tax expenses.

Revenue directly attributable to the segments is considered as segment revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Segment assets comprise property, plant and equipment, intangible assets, trade and other receivables, inventories and other assets that can be directly or reasonably allocated to segments. For the purpose of segment reporting for the year, property, plant and equipment have been allocated to segments based on the extent of usage of assets for operations attributable to the respective segments. Segment assets do not include investments, income tax assets, capital work in progress, capital advances, corporate assets and other current assets that cannot reasonably be allocated to segments.

Segment liabilities include all operating liabilities in respect of a segment and consist principally of trade and other payables, employee benefits and provisions. Segment liabilities do not include equity, income tax liabilities, loans and borrowings and other liabilities and provisions that cannot reasonably be allocated to segments.

16. Dividends

Dividends and interim dividends payable to a Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

17. Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

18. Earnings per share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

19. Statement of cash flows

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of cash flows'.

20. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

20.1. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

Subsequent measurement

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI (Fair Value through OCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the OCI. However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL (Fair value through profit or loss)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity Investments

Equity investments in subsidiary and joint venture companies are measured at cost.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and bank balance.

(b) Trade receivables under Ind AS 18.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

20.2. Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings and retention money.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

After initial measurement, such financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit and loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/losses are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

D. Use of estimates and management judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is as under:

1. Useful life of property, plant and equipment

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The Company reviews at the end of each reporting date the useful life of property, plant and equipment, and are adjusted prospectively, if appropriate.

2. Recoverable amount of property, plant and equipment

The recoverable amount of plant and equipment is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated with the projects. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

3. Post-employment benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the discount rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

4. Revenues

The company has recognized revenue at fair value of consideration received or receivable, net of returns, trade discounts and volume rebates. The company has estimated incremental rate of borrowing to be the discount rate to compute the fair value of future cash inflows.

5. Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

6. Income taxes

Significant estimates are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

2 Property, plant & equipment

As at 31 March 2018

₹ in Lakhs

Particulars	Gross block				Depreciation				Net block	
	As 01 April 2017	Additions	Deductions/ adjustments	As at 31 March 2018	Upto 01 April 2017	For the year	Deductions/ adjustments	Upto 31 March 2018	As at 31 March 2018	As at 01 April 2017
Freehold land	743.64	-	-	**743.64**	-	-	-	**-**	**743.64**	743.64
Leasehold Improvements	195.48	-	-	**195.48**	35.31	28.84	-	**64.15**	**131.33**	160.17
Project Equipment	65,615.68	35,267.94	-	**100,883.62**	7,028.07	13,066.01	-	**20,094.08**	**80,789.54**	58,587.61
Cell Phones	37.46	23.66	0.49	**60.63**	13.89	21.80	0.19	**35.50**	**25.13**	23.57
Office Equipment	168.82	92.84	-	**261.66**	32.51	34.97	-	**67.48**	**194.18**	136.31
Furniture & Fitting	323.06	26.85	-	**349.91**	58.06	33.86	-	**91.92**	**257.99**	265.00
Computers	294.45	109.23	1.04	**402.64**	100.85	98.75	0.37	**199.23**	**203.41**	193.60
E-Vehicles	-	956.45	-	**956.45**	-	12.22	-	**12.22**	**944.23**	-
Residential Assets	-	85.67	1.50	**84.17**	-	1.13	0.10	**1.03**	**83.14**	-
Total	**67,378.59**	**36,562.64**	**3.03**	**103,938.20**	**7,268.69**	**13,297.58**	**0.66**	**20,565.61**	**83,372.59**	**60,109.90**

2 Property, plant & equipment

As at 31 March 2017

₹ in Lakhs

Particulars	Gross block				Depreciation				Net block	
	As 01 April 2016	Additions	Deductions/ adjustments	As at 31 March 2017	Upto 01 April 2016	For the year	Deductions/ adjustments	Upto 31 March 2017	As at 31 March 2017	As at 01 April 2016
Freehold land	-	743.64		743.64	-			-	743.64	-
Leasehold Improvements	161.72	33.76	-	195.48	8.78	26.53	-	35.31	160.17	152.95
Project Equipment	28,683.16	36,932.52	-	65,615.68	1,664.12	5,363.95	-	7,028.07	58,587.61	27,019.05
Cell Phones	11.38	26.08	-	37.46	3.94	9.95	-	13.89	23.57	7.44
Office Equipment	63.07	105.75	-	168.82	9.76	22.75	-	32.51	136.31	53.31
Furniture & Fitting	289.65	33.41	-	323.06	27.52	30.54	-	58.06	265.00	262.13
Computers	142.19	152.26	-	294.45	36.71	64.14	-	100.85	193.60	105.48
Total	**29,351.17**	**38,027.42**	**-**	**67,378.59**	**1,750.83**	**5,517.86**	**-**	**7,268.69**	**60,109.90**	**27,600.35**

a) Exchange differences capitalised are disclosed in the 'Addition' column of capital work-in-progress (CWIP) and allocated to various heads of CWIP in the year of capitalisation through 'Deductions/Adjustments' column of CWIP. Exchange differences in respect of assets already capitalised are disclosed in the 'Deductions/Adjustments' column of property, plant and equipment (PPE). Asset-wise details of exchange differences and borrowing costs included in the cost of major heads of PPE and CWIP through 'Addition' or 'Deductions/ Adjustments' column are given below:

₹ in Lakhs

	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Exchange differences included in PPE/CWIP	Borrowing costs included in PPE/CWIP	Exchange differences included in PPE/CWIP	Borrowing costs included in PPE/CWIP
Project Equipment	1,518.42	2,449.16	668.06	635.60
Total	**1,518.42**	**2,449.16**	**668.06**	**635.60**

b) Refer Note 18 for information on property, plant and equipment pledged as security by the company.

c) Refer Note 37 for disclosure on assets given under operating leases.

d) Refer Note 38 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

The MoU being signed to replace conventional electricity meters with smart meters by Shri Saurabh Kumar, Managing Director, EESL and Naresh Kumar, IAS, Chairman, NDMC in the august presence of Shri. Ajay Kumar Bhalla, Secretary, Ministry of Power

3. Capital work-in-progress

As at 31 March 2018

₹ in Lakhs

Particulars	As at 01 April 2017	Additions	Deductions/ adjustments/capitalised	As at 31 March 2018
Capital work-in progress				
CWIP-SAP	437.11	174.36	611.47	**-**
CWIP - SL LED Rajasthan	8,082.24	14,481.61	12,736.85	**9,827.00**
CWIP - SL LED Andhra Pradesh	6,936.03	14,502.60	9,521.93	**11,916.70**
Chhattisgarh Project	464.69	7,187.34	1,058.78	**6,593.25**
Kerala LED Street Lighting	492.96	94.67	407.32	**180.31**
Marine Drive Mumbai LED SL	2,797.98	1,736.52	1,839.37	**2,695.13**
CWIP - SL LED Punjab	236.78	2,588.12	0.93	**2,823.97**
CWIP - AgDSM - Maharashtra	13.97	-	13.97	**-**
CWIP - AgDSM - Rajasthan	16.74	0.08	16.82	**-**
CWIP - AgDSM - Andhra Pradesh	-	12.50	0.24	**12.26**
Capital Work in Progress - Building J&K	108.15	44.70	49.52	**103.33**
Capital Work in Progress - CGO 12 Building	-	242.06	2.34	**239.72**
CWIP- Building - Delhi	-	14.42	-	**14.42**
CWIP- Building - Gujurat	-	0.22	-	**0.22**
CWIP- Building - Madhya Pradesh	-	3.90	-	**3.90**
CWIP- Building- PAN INDIA	-	267.70	-	**267.70**
CWIP- Building - Uttar Pradesh	-	19.77	-	**19.77**
CWIP- Building - West Bengal	-	16.04	-	**16.04**
CWIP- CPWD BUILDINGS DELHI (Direct Expenses)	4.81	20.66	20.66	**4.81**
CWIP - CPWD - IP Bhawan Delhi	623.58	313.98	314.20	**623.36**
CWIP - Indian Railways	-	46.63	-	**46.63**
CWIP - UPSC - Delhi	4.56	-	-	**4.56**
CWIP BEEP AP	-	31.69	-	**31.69**
CWIP - Building Bond Interest	-	13.72	-	**13.72**
CWIP- CPWD CGO Building, New Delhi	-	19.89	-	**19.89**
CWIP-CPWD CGO Complex Faridabad	-	7.97	-	**7.97**
CWIP - CPWD CGO/GPO /Training Center Bhawan Ghaziabad (Direct Expenses)	-	24.48	2.24	**22.24**
CWIP- Puducherry LED Street Lighting	-	2.12	0.51	**1.61**
South Delhi LED Street Light	2,861.77	6,200.64	466.20	**8,596.21**
CWIP - SL LED - GHMC	52.68	11,927.06	102.84	**11,876.90**
CPWD - IP Bhawan DELHI	89.21	25.57	2.42	**112.36**
CWIP- CPWD Jaipur (Direct Expenses)	-	18.94	-	**18.94**
CWIP-CPWD Trikoot I & II Bhawan New Delhi (Direct Expenses)	-	0.32	-	**0.32**
CWIP- DMRC Rajeev Chowk (Direct Expenses)	53.22	45.61	53.22	**45.61**
CWIP- DMRC Rajeev Chowk (Indirect Expenses)	2.25	9.71	-	**11.96**
CWIP Maharashtra Sadan (Direct Expenses)	-	13.09	-	**13.09**
CWIP- Niti Aayog CPWD Ph-II Building (Direct Expenses)	26.89	70.17	2.50	**94.56**
CWIP E Vehicle Project	-	151.19	-	**151.19**

3. Capital work-in-progress

As at 31 March 2018

₹ in Lakhs

Particulars	As at 01 April 2017	Additions	Deductions/ adjustments/capitalised	As at 31 March 2018
Goa Street Light Project	3,792.90	9,729.80	3,121.79	**10,400.91**
CWIP - SL LED Gujarat	3,820.71	18,607.07	13,621.58	**8,806.20**
Guwahati Street Lighting	437.38	189.73	235.97	**391.14**
H.P LED Street Light	915.19	1,566.23	2,242.94	**238.48**
CWIP - SL LED - Agartala MC	-	32.94	13.55	**19.39**
CWIP - SL LED - Jharkhand	688.87	4,188.55	1,704.39	**3,173.03**
CWIP - SL LED -Andman & Nicobar	-	49.39	-	**49.39**
CWIP - SL LED J&K	40.16	111.17	2.56	**148.77**
CWIP - SL LED Telangana	302.58	13,303.64	6,806.23	**6,799.99**
CWIP SL LED Bihar	-	2,094.00	4.82	**2,089.18**
CWIP SL LED Chandigarh	-	88.85	-	**88.85**
Varanasi LED Street Lighting	2,846.53	23,336.64	897.39	**25,285.78**
CWIP SL LED Haryana	-	348.61	-	**348.61**
CWIP - SL LED - Karnataka	-	29.72	-	**29.72**
CWIP - SL LED - Madhya Pradesh	-	456.66	5.02	**451.64**
CWIP - SL LED - Odisha	-	1,422.71	1.29	**1,421.42**
CWIP - SL LED - PortBlair	-	343.52	4.38	**339.14**
CWIP SL LED Sikkim	-	0.49	-	**0.49**
CWIP SL LED Tamilnadu	-	87.83	-	**87.83**
CWIP - SL LED -Tripura	-	18.09	-	**18.09**
CWIP SL LED Uttarakhand	-	992.19	-	**992.19**
CWIP - SL LED -West Bengal	-	431.37	-	**431.37**
CWIP - West Bengal	-	0.68	-	**0.68**
CWIP – SL LED Tripura	-	67.27	-	**67.27**
CWIP - Jaipur Property	334.56	89.22	-	**423.78**
CWIP - Kolkata Property	55.29	88.89	-	**144.18**
CWIP - Trade Mark	0.77	-	-	**0.77**
CWIP -Kolkata	-	12.07	-	**12.07**
CWIP- GHMC (hyderabad)	-	1,562.71	-	**1,562.71**
CWIP- Andhra Pradesh (hyderabad)	-	890.50	-	**890.50**
CWIP- SL- Maharashtra (Mumbai)	24.49	188.28	2.29	**210.48**
CWIP Smart Meter	-	1,937.95	-	**1,937.95**
CWIP Software	-	1,218.68	1,211.13	**7.55**
CWIP Solar Rooftop Delhi	-	9.04	-	**9.04**
CWIP (UJALA stock to BEEP)	-	3,636.67	5.30	**3,631.37**
Capital Work in Progress	-	1.57	-	**1.57**
Capital Work in Progress-(DELP Hyderabad)-Indirect	-	0.54	-	**0.54**
CWIP - Delhi Property (NBCC - Nauroji Nagar)	-	1,103.72	-	**1,103.72**
CWIP unallocated Expenses	-	690.94	100.04	**590.90**
CWIP- Interest on Bond (unallocated) *	53.32	849.10	171.54	**730.88**
Total	**36,618.37**	**150,107.08**	**57,376.54**	**129,348.91**

3. Capital work-in-progress

As at 31 March 2017

₹ in Lakhs

Particulars	As at 01 April 2016	Additions	Deductions/ adjustments/capitalised	As at 31 March 2017
Capital work-in progress				
CWIP-SAP	-	437.11	-	437.11
Bihar Sharif Street Light	4.02	15.09	19.11	-
CWIP - SL LED Rajasthan	4,319.39	23,942.68	20,179.83	8,082.24
CWIP - SL LED Andhra Pradesh	1,806.95	17,565.03	12,435.95	6,936.03
Chhattisgarh Project	11.40	456.23	2.94	464.69
Kerala LED Street Lighting	35.54	464.06	6.64	492.96
Marine Drive Mumbai LED SL	246.24	3,036.80	485.06	2,797.98
CWIP - SL LED Punjab	-	236.78	-	236.78
CWIP - AgDSM - Andhra Pradesh	22.83	908.34	931.17	-
CWIP - AgDSM - Karnataka	-	1.95	1.95	-
CWIP - AgDSM - Maharashtra	-	13.97	-	13.97
CWIP-AgDSM-Rajasthan	-	16.74	-	16.74
Capital Work in Progress - Building J&K	-	108.32	0.17	108.15
CWIP- CPWD BUILDINGS DELHI (Direct Expenses)	-	4.81	-	4.81
CWIP - CPWD - IP Bhawan Delhi	-	623.58	-	623.58
CWIP - UPSC - Delhi	-	4.56	-	4.56
South Delhi LED Street Light	6,561.72	9,178.19	12,878.14	2,861.77
CWIP - SL LED - GHMC	-	52.68	-	52.68
CPWD - IP Bhawan DELHI	217.99	2.42	131.20	89.21
CWIP- DMRC Rajeev Chowk (Direct Expenses)	-	53.22	-	53.22
CWIP- DMRC Rajeev Chowk (Indirect Expenses)	-	2.25	-	2.25
CWIP- Niti Aayog CPWD Ph-II Building (Direct Expenses)	-	26.89	-	26.89
Goa Street Light Project	0.23	3,836.46	43.79	3,792.90
CWIP - SL LED Gujarat	-	3,820.71	-	3,820.71
Guwahati Street Lighting	6.89	437.11	6.61	437.38
H.P LED Street Light	2.46	1,853.39	940.65	915.19
CWIP - SL LED - Jharkhand	-	688.87	-	688.87
CWIP - SL LED J&K	-	40.16	-	40.16
CWIP - SL LED Telangana	-	302.58	-	302.58
Varanasi LED Street Lighting	1,038.70	2,083.51	275.68	2,846.53
Medak Agdsm telangana	10.06	0.03	10.09	-
CWIP - Jaipur Property	-	334.56	-	334.56
CWIP - Kolkata Property	-	55.29	-	55.29
CWIP - Trade Mark	-	0.77	-	0.77
CWIP- SL- Maharashtra (Mumbai)	-	24.49	-	24.49
CWIP- Interest on Bond (unallocated) *	-	53.32	-	53.32
Total	**14,284.41**	**70,682.95**	**48,348.98**	**36,618.37**

* The borrowing cost proportionate to the unutilised amount of borrowings are being kept for utilization for acquisition or construction of qualifying assets being carried forward for capitalization in the subsequent year of utilization. However, income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalisation, as stated in Note No. C 4 of Accounting Policies i.r.t. 'Borrowing Costs'.

4 Intangible assets

As at 31 March 2018

₹ in Lakhs

Particulars	Gross block				Amortisation				Net block	
	As at 01 April 2017	Additions	Deductions/ adjustments	As at 31 March 2018	Upto 01 April 2017	For the year	Deductions/ adjustments	Upto 31 March 2018	As at 31 March 2018	As at 01 April 2017
Software	101.22	1,533.42	-	**1,634.64**	28.44	30.12	-	**58.56**	**1,576.08**	72.78
Total	101.22	1,533.42	-	**1,634.64**	28.44	30.12	-	**58.56**	**1,576.08**	72.78

As at 31 March 2017

₹ in Lakhs

Particulars	Gross block				Amortisation				Net block	
	As at 01 April 2016	Additions	Deductions/ adjustments	As at 31 March 2017	Upto 01 April 2016	For the year	Deductions/ adjustments	Upto 31 March 2017	As at 31 March 2017	As at 01 April 2016
Software	36.62	64.60	-	101.22	2.73	25.71		28.44	72.78	33.89
Total	36.62	64.60	-	101.22	2.73	25.71	-	28.44	72.78	33.89

5 Non-current assets - Investments in subsidiaries and joint venture companies

₹ in Lakhs

Particulars	Number of shares Current year/ (previous year)	Face value per share Current year/ (previous year)	As at 31 March 2018	As at 31 March 2017
Equity instruments - Unquoted (fully paid up - unless otherwise stated, at cost)				
Subsidiary companies				
EESL EnergyPro Assets Private Limited	21,745,680 (-)	£1 (-)	**19,368.82**	-
			19,368.82	-
Joint venture companies				
EESL EnergyPro Assets Private Limited	- (230,680)	- (£1)	-	189.04
NEESL Private Limited	2,600 (-)	₹ 10 (-)	**0.26**	-
			0.26	**189.04**
Total			**19,369.08**	189.04
Aggregate amount of unquoted investments			**19,369.08**	189.04

Investments have been valued as per accounting policy no. C.19.1 (Note 1).

6 Non-current financial assets - Loans

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Loans to employees (Including interest accrued)		
Unsecured, considered good	**101.77**	41.61
Security deposits (Unsecured, considered good)	**364.16**	85.98
Total	**465.93**	**127.59**

7 Other non-current financial assets

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Unbilled revenue	**1,843.40**	5,301.33
Deposits with banks under lien*	**4.62**	4,814.74
Total	**1,848.02**	10,116.07

* Deposits with banks under lien includes FD with ICICI Bank Limited, India against Standby letter of credit issued by latter to ICICI Bank UK Plc with respect to term loan facility availed by EESL EnergyPro Assets Limited amounting to ₹ Nil (31 March 2017: ₹4,800 Lakhs) and FDs for CST & VAT amounting to ₹ 4.62 Lakhs (31 March 2017: ₹ 14.74 Lakhs).

8 Other non-current assets

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Capital advances	**1,576.38**	557.02
Advances other than capital advances		
Security deposits	**27.70**	12.33
Deferred rent	**79.48**	25.27
Total	**1,683.56**	594.62

9 Inventories

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Stock in trade	**29,993.41**	15,464.97
(including goods in transit: ₹ 93.72 Lakhs (31 March 2017: ₹ 1,142.58 Lakhs)		
Total	**29,993.41**	15,464.97

a) Inventory items have been valued as per accounting policy no. C.5.

b) Goods-in-transit have been valued at cost.

c) The cost of inventories recognised as expense during the year was ₹ 86,672.50 lakhs (including ₹ 47.14 lakhs as Business promotion) (Previous year Figures: ₹ 82,559.59 lakhs (including ₹ 71.84 lakhs as Business Promotion)

d) Loans are secured on first pari-passu charge on stock and book debts. (Refer Note 18 and 23)

10 Trade receivables

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Trade receivables		
Unsecured, considered good	**116,182.54**	80,140.76
Considered doubtful	**196.64**	-
	116,379.18	80,140.76
Less: Allowance for doubtful receivables	**196.64**	-
Total	**116,182.54**	80,140.76

a) Refer Note 40 for details with respect to credit risk.

b) Amounts receivables from related parties are disclosed in Note 43.

c) Trade receivables are subject to confirmations, reconciliation and consequential adjustments that may arise on reconciliation.

d) Loans are secured on first pari-passu charge on stock and book debts. (Refer Note 18 and 23)

11 Cash and cash equivalents

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Balances with banks		
Current accounts	52,061.67	26,459.04
Cash on hand-Imprest	5.30	8.04
Total	**52,066.97**	**26,467.08**

11 A. Bank balances other than cash and cash equivalents

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Deposits with original maturity of more than three months and maturing within one year (including interest accrued) *	**5,437.22**	5,767.04
Total	**5,437.22**	**5,767.04**

*Deposits with banks under lien includes FD with ICICI Bank Limited, India against Standby letter of credit issued by latter to ICICI Bank UK Plc with respect to term loan facility availed by EESL EnergyPro Assets Limited amounting to ₹ 5,418.19 Lakhs (31 March 2017: ₹ Nil) and FDs for CST & VAT amounting to ₹ 19.03 Lakhs (31 March 2017: ₹4.47 Lakhs).

12 Current loans

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Loans to employees (including interest accrued)		
Unsecured, considered good	**81.14**	32.07
Security deposits (Unsecured, considered good)	**72.20**	34.29
Total	**153.34**	66.36

13 Other current financial assets

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Project advances	**729.78**	542.73
Unbilled revenue	**4,782.86**	6,742.83
Others *	**820.94**	765.09
Total	**6,333.58**	8,050.65

* Other includes expenses incurred on behalf of third parties which are recoverable.

14 Current tax assets (Net)

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Advance tax	**1,298.48**	-
Self assessment refund	**591.48**	608.51
Tax on regular assessment	**-**	14.23
TCS recoverable	**11.04**	-
TDS recoverable	**644.68**	-
Total	**2,545.68**	622.74

15 Other current assets

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Receivable from statutory authorities *	**17,968.73**	4,427.53
Prepaid Expenditure**	**5,168.57**	5,115.03
Deferred rent	**39.33**	8.92
Others ***	**1,192.58**	3,695.87
Total	**24,369.21**	13,247.35

(a) *Receivable from statutory authorities include amount of ₹ 3,844.28 Lakhs (31 March 2017: ₹ 3,715.19 Lakhs) paid under protest to sales tax authorities.

(b) *The sales, corresponding output tax liability and purchases along with the corresponding input tax credit reported in GST and VAT returns, the net input tax credit receivable or the net output tax liability payable as the case may be are subject to reconciliation with the books of accounts. Differences which will be identified on reconciliation of GST/ VAT returns will be addressed in annual GST/ VAT statements/ revised returns to be filed in due course.

(c) **Expenses incurred on advertisement / awareness on DELP / UJALA programme in a State is charged to Statement of profit and loss in proportionate to LED bulbs distributed in current year vis-a-vis the total targeted LED bulbs distribution for that respective State at the beginning of year and balance amount is carried forward for charging to statement of profit and loss in subsequent years. Similarly expenses incurred on National Media Campaigning for DELP / UJALA programme is charged to statement of profit & loss in proportionate to the total LED bulbs distributed in current financial year vis-a-vis the overall targeted LED bulbs distribution under DELP/ UJALA programme at the beginning of the year and balance amount is carried forward for charging to statement of profit and loss in subsequent years. Accordingly, out of total expenditure ₹ 5,923.02 Lakhs (₹ 5,045.15 Lakhs balance brought forward from previous year 2016-17 and ₹ 877.87 Lakhs expenditure during the current year) incurred on advertisement till the year 2017-18, ₹ 4,907.40 Lakhs has been deferred as prepaid expenditure under the head, "Other Current Assets"

*** Others include advances given to vendors and to employees.

16 Share capital

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
	Equity share capital	
Authorised		
150,00,00,000 shares of par value ₹ 10/- each (50,00,00,000 shares of par value ₹ 10/- each as at 31 March 2017)	**150,000.00**	50,000.00
Issued, subscribed and fully paid up		
46,20,00,000 shares of par value ₹ 10/- each (46,20,00,000 shares of par value ₹ 10/- each as at 31 March 2017)	**46,200.00**	46,200.00

a) Movements in equity share capital:

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	462,000,000	46,200	165,000,000	16,500
Add: Shares issued during the year	-	-	297,000,000	29,700
Outstanding at the end of the year	**462,000,000**	**46,200**	**462,000,000**	**46,200**

b) Terms and rights attached to equity shares:

The Company has only one class of equity shares having a par value ₹ 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

c) Dividends:

	Paid during the year ended	
	31 March 2018	31 March 2017
(i) Equity shares		
Final dividend for the year ended 31 March 2017 of ₹ 0.60/- (31 March 2016: ₹ 0.65/-) per fully paid share	2,776.27	1,067.72
Interim dividend for the year ended 31 March 2018 of ₹ 0.28/- (31 March 2017: Nil) per fully paid share	1,298.40	-
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹Nil (31 March 2017: ₹ 0.60/-) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. (Dividend of FY 2016-17 ₹ 0.60/- per share declared on AGM held dated 29th September, 2017 and paid on 5th October, 2017)	-	2,776.27

d) Details of shareholders holding more than 5% shares in the Company:

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	%age holding	No. of shares	%age holding
NTPC Limited	**146,500,000**	**31.71**	146,500,000	31.71
Rural Electrification Corporation Limited	**146,500,000**	**31.71**	146,500,000	31.71
Power Finance Corporation Limited	**146,500,000**	**31.71**	146,500,000	31.71

17 Other equity

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Share application money pending allotment	**9,900.00**	-
Debenture redemption reserve	**6,515.21**	1,452.99
Retained earnings	**1,827.75**	7,880.80
Total	**18,242.96**	9,333.79

(a) Debenture redemption reserve

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening balance	**1,452.99**	-
Add: Transfer from retained earnings	**5,062.22**	1,452.99
Closing balance	**6,515.21**	1,452.99

The company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

(b) Retained earnings

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening balance	**7,880.80**	5,463.02
Add: Tax on dividend for earlier years		-
Add: Profit for the year as per statement of profit and loss	**3,946.24**	5,185.64
Less: Dividend paid	**4,074.67**	1,067.72
Tax on dividend paid	**829.54**	223.37
Transfer to debenture redemption reserve	**5,062.22**	1,452.99
Transaction cost arising on issue of equity shares, net of tax	**25.01**	19.42
	1,835.60	7,885.15
Items of other comprehensive income recognised directly in retained earnings:		
Remeasurements of post-employment benefit obligation, net of tax	**(7.85)**	(4.35)
Closing balance	**1,827.75**	7,880.80

18 Non-current borrowings

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Term loan from other than banks		
Unsecured		
(i) KFW Loan -Guaranteed by Govt of India (1.96% p.a. Loan repayable in half yearly basis starting from 30.06.2018 in 14 instalments of Euro 2,941,000 each and 3 instalments of Euro 2,942,000 each)	**38,938.98**	30,193.76
(ii) AFD Loan -Guaranteed by Govt of India (1.87% p.a. for Euro 3,719,016 and 2.20% for Euro 1,205,674. Loan repayable in half yearly basis starting from 30.10.2020 in 20 equal instalments of Euro 2,500,000 each)	**3,997.83**	2,595.53
(iii) ADB Loan -Guaranteed by Govt of India (2.78% p.a. (Method: 6 month LIBOR+0.6 Basis point +/- rebate/ surcharge, if any) Loan repayable in half yearly basis starting from 15.03.2022 in 30 equal instalments of USD 6,666,667 each)	**9,768.69**	-
(iv) 7.80% Debentures (Domestic bonds) (7.80% p.a. Unsecured non-cumulative non-convertible redeemable taxable bonds repayable as Bullet payment in the month of July 2022 amounting Rs.450 cr (Second Issue-Private Placement)	**47,471.42**	-
(v) 8.15% Debentures (Domestic bonds) (8.15% p.a. Unsecured non-cumulative non-convertible redeemable taxable bonds repayable as Bullet payment in the month of Feb 2021 amounting Rs.200 cr (Third Issue - Private Placement)	**20,361.72**	-
(vi) 8.29% Debentures (Domestic bonds) (8.29 % p.a. Unsecured non-cumulative non-convertible redeemable taxable bonds repayable as Bullet payment in the month of May 2021 amounting Rs.125 cr (Fourth Issue - Private Placement)	**12,676.02**	-
Secured		
(i) 8.07% Debentures (Domestic bonds)- Secured by pari passu charge on the movable fixed assets both present and future (8.07% p.a. Secured non-cumulative non-convertible redeemable taxable bonds with three unequal separately transferable redeemable principal parts (STRPP) of Rs.125.00 cr, Rs.125.00 cr and Rs.250.00 Cr redeemable at par on 20/03/2020, 20/09/2021 and 20/09/2023, respectively (First Issue - Private Placement)	**52,133.59**	52,133.57
(ii) PTC India Financial Services Limited (PFS) Loan - Secured by first pari-passu charge by way of hypothecation of Company's entire stock incl. book debts, bills, outstanding monies, receivables, both present and future	**-**	10,000.00
(ROI varying between 10.25% p.a. to 10.50% p.a. (linked to the PFS Reference Rate) repayable in 4 equated quarterly instalments starting from 01.04.2017)	**185,348.25**	94,922.86
Less : Current Maturities of non-current borrowings	**4,558.77**	10,000.00
Less: Interest accrued on non-current borrowings	**5,369.32**	2,299.00
Total	**175,420.16**	**82,623.86**

There has been no default in repayment of the loans/ interest thereon as at the end of the year.

19 Other non current financial liabilities

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Retention money	**8,019.85**	5,194.96
Total	**8,019.85**	5,194.96

20 Non current provisions

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits		
Gratuity	**140.88**	61.30
Leave encashment	**269.51**	161.86
Total	**410.39**	223.16

Disclosure as per Ind AS 19 on 'Employee Benefits' is made in Note 36.

21 Deferred tax liabilities (net)

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Deferred tax (asset)/ liability		
Revenue measured at fair value	2,322.68	4,197.71
Financial assets and liabilities measured at amortised cost	1,181.23	709.47
Less: Deferred tax assets		
Difference in book depreciation and tax depreciation	2,972.24	4,576.68
Leave encashment	98.38	59.55
Provisions for bonus	55.69	21.43
Provisions for gratuity	0.88	0.88
Allowance for doubtful receivables	68.05	-
Operating lease liabilities	25.95	15.90
Revenue measured at fair value	60.11	211.78
Financial assets and liabilities measured at amortised cost	42.32	12.58
Others	0.00	0.00
Total	**180.29**	8.38

a) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

Movement in deferred tax balances

31 March 2018

₹ in Lakhs

Particulars	Net Balance 1 April 2017	Recognised in profit or loss	Recognised in OCI	Net Balance 31 March 2018
Revenue measured at fair value	4,197.71	(1,875.03)	-	**2,322.68**
Financial assets and liabilities measured at amortised cost	709.47	471.76	-	**1,181.23**
Less:				
Difference in book depreciation and tax depreciation	4,576.68	(1,604.44)	-	**2,972.24**
Leave encashment	59.55	38.83	-	**98.38**
Provisions for gratuity	21.43	30.11	4.15	**55.69**
Provisions for bonus	0.88	-	-	**0.88**
Allowance for doubtful receivables	-	68.05	-	**68.05**
Operating lease liabilities	15.90	10.05	-	**25.95**
Revenue measured at fair value	211.78	(151.67)	-	**60.11**
Financial assets and liabilities measured at amortised cost	12.58	29.74	-	**42.32**
Tax assets/(liabilities)	**8.38**	**176.07**	**(4.15)**	**180.29**

31 March 2017

₹ in Lakhs

Particulars	Net Balance 1 April 2016	Recognised in profit or loss	Recognised in OCI	Net Balance 31 March 2017
Revenue measured at fair value	6,204.68	(2,006.98)	-	4,197.71
Financial assets and liabilities measured at amortised cost	524.35	185.12	-	709.47
Less:				
Difference in book depreciation and tax depreciation	6,448.28	(1,871.59)	-	4,576.68
Leave encashment	23.84	35.71	-	59.55
Provisions for gratuity	9.42	9.70	2.30	21.43
Provisions for bonus	0.88	-	-	0.88
Operating lease liabilities	10.17	5.73	-	15.90
Revenue measured at fair value	-	211.78	-	211.78
Financial assets and liabilities measured at amortised cost	10.00	2.58	-	12.58
Others	90.51	(90.51)	-	0.00
Tax assets/(liabilities)	**135.95**	**(125.26)**	**(2.30)**	**8.38**

22 Other non-current liabilities

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Operating lease liabilities	**74.77**	43.95
Deferred income on account of government grants	**550.16**	-
Total	**624.93**	43.95

a) Deferred income on account of government grants have been accounted in line with Accounting policy no. C.7.

b) Government grant of USD 2,000,000 has been granted by International Bank for Reconstruction and Development ("World Bank") acting as an implementation agency of the Global Environment Facility ("GEF") for implemention of SAP capitalized as intangibe asset.

23 Current borrowings

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Loans from banks		
Secured		
(i) ICICI Bank - Secured by first pari passu charge on the stock and receivables both present and future (ROI: 8.20%p.a. (linked to 1 year MCLR) repayable as bullet payment of the respective tranche starting from September 2018 to December 2018 in the range of ₹ 2,000.00 Lakhs to ₹ 8,000.00 Lakhs)	**15,000.00**	18,000.00
(ii) HDFC - Secured by first pari passu charge on the stock and debtors both present and future (ROI varying between 7.85% p.a. (linked to 3 months MCLR) to 8.15% p.a. (linked to 1 year MCLR) depending on the date of disbursement of the respective tranches repayable as bullet payment of the respective tranche starting from June 2018 to February 2019 in the range of ₹1,000.00 Lakhs to ₹ 5,000.00 Lakhs)	**11,000.00**	4,000.00
(iv) SBI-Secured by first pari passu charge on the stock and receivables both present and future (ROI: 7.85% p.a. (linked to 3 months MCLR) repayable as bullet payment in the month of March 2019 in the range of ₹ 5,000.00 Lakhs to ₹ 23,500.00 Lakhs)	**28,525.59**	13,000.00
Unsecured		
(i) IndusInd Bank (ROI: 8.30% p.a. (linked to 3 months MIBOR + 82 bps) repayable as bullet payment in the month of June 2018 amounting ₹ 5,000.00 Lakhs)	**5,001.14**	-
(ii) CTBC Bank (ROI: 7.99% p.a. (linked to 3 months MIBOR + 75 bps) repayable as bullet payment in the month of February 2019 amounting ₹ 4,000.00 Lakhs)	**4,000.88**	-
Total	**63,527.61**	35,000.00
Less: Interest accrued on current borrowings	**27.61**	-
	63,500.00	35,000.00

24 Trade payables

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
For goods and services	**128,526.81**	45,869.51

a) There are no outstanding dues to micro and small enterprises. There are no interests due or outstanding on the same.

b) Amounts payable to related parties are disclosed in Note 43.

c) Trade payable are subject to confirmations, reconciliation and consequential adjustments that may arise on reconciliation.

25 Other current financial liabilities

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Current maturities of non-current borrowings		
From others		
Secured		
Foreign currency loans	**4,558.77**	-
Rupee term loans	**-**	10,000.00
	4,558.77	10,000.00
Interest accrued on borrowings	**5,396.93**	2,299.00
Liabilities for expenses	**2,186.77**	77.12
Retention money	**13,703.52**	4,084.26
Earnest money deposit	**700.16**	691.17
Security Deposit	**72.85**	-
Payable to employees	**5.11**	57.63
Commitment fee payable	**48.13**	3.36
Axis credit card	**(2.00)**	2.10
Tax on dividend payable	**264.35**	-
Total	**26,934.59**	17,214.64

Details in respect of rate of interest and terms of repayment of current maturities of secured long term borrowings indicated above are disclosed in Note 18.

26 Other current liabilities

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Statutory dues**	**5,660.23**	4,978.37
Liquidated damages	**314.64**	0.67
Advance received against project	**5.87**	10,473.86
Unearned income	**77.90**	153.06
Operating lease liabilities	**0.19**	1.99
Deferred income on account of government grants*	**61.15**	-
Total	**6,119.98**	15,607.95

*Refer Note 22.

** (a) The sales, corresponding output tax liability and purchases along with the corresponding input tax credit reported in GST and VAT returns, the net input tax credit receivable or the net output tax liability payable as the case may be are subject to reconciliation with the books of accounts. Differences which will be identified on reconciliation of GST/ VAT returns will be addressed in annual GST/ VAT statements/ revised returns to be filed in due course.

27 Current provisions

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits		
Gratuity	**1.39**	0.62
Lease encashment	**14.77**	10.20
Pay revision	**550.00**	-
Total	**566.16**	10.82

a) Disclosures required by Ind AS 19 'Employee Benefits' is made in Note 36.

b) The pay revision of the employees of the company is due w.e.f. 1st January, 2017. The Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Government of India vide Office Memorandums No. W-02/0028/2017-DPE(WC)-GL-XIII/17 dated 3rd August, 2017 has revised scales of pay in respect of Board level and below Board level executives and Non-unionised Supervisors of Central Public Sector Enterprises w.e.f. 1.1.2017.

Since the pay scales of regular employees in EESL have been formulated in accordance with NTPC pay scales of the regular employees, in terms of the guidelines issued by the Department of Public Enterprises applicable to NTPC, a provision of ₹ 550Lakhs (31 March 2017: ₹ Nil) has been made on an estimated basis in respect of regular employees w.e.f. 1st January, 2017 on account of pay revision.

28 Revenue from operations

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of goods	**104,788.27**	102,248.73
Sale of services	**30,806.00**	12,837.30
Total	**135,594.27**	115,086.03

29 Other income

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Tender document fees	**59.37**	59.75
E-Tendering registration fee	**15.49**	14.67
Interest income on loans to employees	**3.49**	2.00
Interest income on security deposits measured at amortised cost	**14.50**	8.38
Interest income on revenue measured at fair value	**2,166.34**	2,885.82
Interest income from customers	**-**	1,111.61
Interest income from deposits with banks	**1,233.99**	1,440.11
Interest income from others	**1,422.01**	53.38
Net gain on foreign currency transactions and translation	**-**	1,974.18
Miscellaneous income	**560.84**	82.47
Total	5,476.03	**7,632.37**

30 (Increase)/ Decrease in inventories

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening stock	**15,464.97**	17,950.57
Closing stock	**(29,993.41)**	(15,464.97)
Total	**(14,528.44)**	2,485.60

31 Employee benefits expense

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries and wages	**3,368.56**	1,765.38
Leave Encashment	**148.31**	40.89
Contribution to provident and other funds	**178.85**	128.09
Staff welfare expenses	**227.03**	156.30
Total	**3,922.75**	2,090.66

a) Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 36.

b) The pay revision of the employees of the Company is due w.e.f 1 January 2017. The required provision towards revision of pay scales has been recognised during the year. Refer Note 27.

32 Finance costs

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Finance charges on financial liabilities measured at amortised cost		
Loans	**4,836.16**	3,681.33
Debentures	**4,595.01**	1,497.96
Unwinding of discount on retention money	**604.38**	389.66
Others	**176.30**	199.14
	10,211.85	5,768.09
Net loss on foreign currency transactions and translation	**2,687.04**	-
Other borrowing costs		
Commitment Fees (KFW Loan)	11.05	23.19
Guarantee Fee	395.51	364.81
	406.56	388.00
Total	**13,305.45**	6,156.09

33 Other expenses

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Annual maintenance charges (projects)	**2,042.59**	601.06
Legal fees & professional charges	**1,276.90**	272.93
Conveyance expenses	**132.52**	90.14
Communication expenses	**203.91**	22.42
Recruitment expenses	**301.02**	36.66
Repair and maintenance expenses		
- Building maintenance	**82.30**	23.36
- Computer maintenance	**-**	6.00
- House maintenance	**0.94**	0.60
Internal audit fees	**3.00**	2.26
Advertisement and publicity expenses	**267.80**	457.08
Printing and stationery expenses	**80.60**	56.39
Books and periodicals	**-**	2.53
Meeting expense/ Hospitality expenses	**1.65**	75.97
Tour and traveling expenses	**295.59**	508.95
Rent	**757.37**	438.93
Electricity expenses	**70.16**	48.52
Payment to auditors (refer note a)	**28.25**	18.08
Bank charges	**153.75**	77.10
Sponsorship expenses	**3.00**	1.25
Manpower expenses	**573.71**	347.54
Insurance charges	**23.52**	30.75
Deferred rent expenses	**29.03**	16.56
Testing expenses	**22.36**	39.24
Business promotion	**758.85**	581.64

33 Other expenses (Continued)

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Rate and taxes	**112.25**	430.04
Awareness creation, training & outreach activities	**0.46**	37.71
Diwali gift expenses	**25.26**	58.20
Annual day celebration expenses	**4.48**	28.89
Corporate social responsibility expenses	**12.27**	-
Net loss on foreign currency transactions and translation	**1,291.03**	-
Allowance for doubtful receivables	**196.64**	-
UJALA Scheme		
- Software expenses	**361.55**	391.66
- Project maintenance expenses	**0.92**	25.78
- Other project expenses related to Ujala	**1,438.80**	2,745.44
Other project expenses	**876.36**	492.88
Miscellaneous expenses	**547.87**	104.91
Total	**11,976.72**	8,071.47
a) Details in respect of payment to auditors:		
As auditor		
Audit fee	**15.00**	10.53
Tax audit fee	**6.50**	5.01
Limited review	**5.00**	-
Reimbursement of expenses	**2.75**	2.54
Total	**29.25**	18.08

34 Disclosure as per Ind AS 12 'Income taxes'

(a) Income tax expense

i) Income tax recognised in Statement of Profit and Loss

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current tax expense		
Current year	**1,606.52**	3,110.27
Earlier years	**421.40**	(5.44)
	2,027.92	3,104.83
Deferred tax expense		
Origination and reversal of temporary differences	**176.06**	(125.26)
	176.06	(125.26)
Total income tax expense	**2,203.98**	2,979.57

ii) Income tax recognised in other comprehensive income

	Before Tax	31 March 2018 Tax expense/ (Benefit)	Net of Tax	Before Tax	31 March 2017 Tax expense/ (Benefit)	Net of Tax
- Net actuarial losses on defined benefit plans	**(12.00)**	**(4.15)**	**(7.85)**	(6.65)	(2.30)	(4.35)
	(12.00)	**(4.15)**	**(7.85)**	(6.65)	(2.30)	(4.35)

iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

₹ in Lakhs

Particulars	31 March 2018	31 March 2017
Profit before tax	**6,150.23**	8,165.21
Tax using the Company's domestic tax rate of 34.61% (31 March 2017 - 34.61%)	**2,128.47**	2,825.81
Tax effect of:		
Non-deductible tax expenses	**(282.17)**	124.90
Previous year tax liability	**421.40**	(5.44)
Others	**(63.72)**	34.30
At the effective income tax rate of 35.84% (31 March 2017: 36.49%)	**2,203.99**	2,979.57

(c) Dividend distribution tax on proposed dividend not recognised at the end of the reporting period

Since year ended 31 March 2018, the Directors have recommended the payment of final dividend amounting to ₹ Nil (31 March 2017: ₹ 1,067.72 Lakhs). The dividend distribution tax on this proposed dividend amounting to ₹Nil (31 March 2017: ₹ 223.37 Lakhs) has not been recognised since this proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.

35 Disclosure as per Ind AS 33 'Earnings per Share'

Basic and diluted earnings per share

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Basic earnings per share* [A/B]	**0.8542**	1.1720
Diluted earnings per share* [A/C]	**0.8537**	1.1720
Nominal value per share	**10.00**	10.00

**rounded upto four decimal places*

(a) Profit attributable to equity shareholders (used as numerator)

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit attributable to equity holders for basic earnings	**3,946.24**	5,185.64
Profit attributable to equity holders **[A]**	**3,946.24**	5,185.64

(b) Weighted average number of equity shares (used as denominator)

In numbers

Particulars	31 March 2018	31 March 2017
Opening balance of issued equity shares	**462,000,000**	165,000,000
Effect of shares issued during the year, if any	**-**	277,471,233
Weighted average number of equity shares for Basic EPS [B]	**462,000,000**	442,471,233
Effect of dilution	**271,233**	-
Weighted average number of equity shares for Diluted EPS [C]	**462,271,233**	442,471,233

Note: The company has made an offer for right issue under private placement of equity shares to existing shareholders accordingly ₹ 9,900.00 Lakhs has been received on 31 March 2018 from NTPC Limited and subsequently from Power Finance Corporation Limited and Power Grid Corporation of India Limited amounting ₹9,900.00 Lakhs and ₹ 1,520.43 Lakhs on 27 April 2018 respectively.

36 Disclosure as per Ind AS 19 'Employee Benefits'

(i) Defined contribution plans:

A. Provident fund

The Company pays fixed contribution to provident fund at predetermined rates to a registered provident fund administered by the Government, which invests the funds in permitted securities. Amount of ₹1.78 Lakhs (31 March 2017: ₹128.09 Lakhs) pertaining to employers' contribution to provident fund is recognised as an expense and included in Employee benefits expense in Note 31.

B. Superannuation Fund

The Company pays fixed contribution to superannuation fund to a separate trust. Amount of ₹ 119.57 Lakhs (31 March 2017: ₹ 58.73 Lakhs) pertaining to employers' contribution to superannuation fund is recognised as an expense and included in Employee benefits expense in Note 31.

(ii) Defined benefit plans:

A. Gratuity

The Company operates a gratuity plan which provides lump sum benefits linked to the qualifying salary and completed years of service with the Company at the time of separation. Every employee who has completed 5 years of continuous service is entitled to receive gratuity at the time of his retirement or separation from the organisation, whichever is earlier. The gratuity benefit that is payable to any employee, is computed in accordance with the provisions of The Payment of Gratuity Act, 1972.

During the year, the company has set up a fund with Life Insurance Corporation (LIC) of India and contribution is made to the gratuity policy issued by LIC of India.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Net defined benefit (asset)/liability:		
Gratuity	**142.27**	61.91
	142.27	61.91
Non-current	**140.89**	61.30
Current	**1.38**	0.61

Movement in net defined benefit (asset)/liability

₹ in Lakhs

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit obligation (asset) liability	
	For the year ended		For the year ended		For the year ended	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017
Opening balance	**61.91**	27.23	-	-	**61.91**	27.23
Included in profit or loss:						
Current service cost	**61.16**	27.32	-	-	**61.16**	27.32
Past service cost	**-**	-	-	-	**-**	-
Net Interest cost	**4.55**	2.17	-	-	**4.55**	2.17
Total amount recognised in profit or loss	**65.71**	29.49	-	-	**65.71**	29.49
Included in other comprehensive income (OCI):						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	**-**	-	-	-	**-**	-
Financial assumptions	**(10.39)**	4.96	-	-	**(10.39)**	4.96
Experience adjustment	**22.39**	1.69	-	-	**22.39**	1.69

Movement in net defined benefit (asset)/liability (Continued)

₹ in Lakhs

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit obligation (asset) liability	
	For the year ended		For the year ended		For the year ended	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017
Return on plan assets excluding interest income	-	-	-	-	-	-
Total amount recognised in other comprehensive income	**12.00**	6.65	-	-	**12.00**	6.65
Other						
Contributions paid by the employer	-	-	14.92	-	**(14.92)**	-
Benefits paid	**(2.64)**	1.46	8.41	-	**(11.05)**	1.46
Closing balance	**142.27**	**61.91**	**6.51**	-	**135.76**	61.91

B. Plan assets

Plan assets comprise the following

₹ in Lakhs

Particulars	31 March 2018			31 March 2017		
	Quoted	**Unquoted**	**Total**	Quoted	Unquoted	Total
State government securities	-	-	-	-	-	-
Central government securities	-	-	-	-	-	-
Corporate bonds/debentures	-	-	-	-	-	-
Money market instruments/ liquid mutual fund	-	-	-	-	-	-
Equity and equity linked investments	-	-	-	-	-	-
Investments with insurance companies	-	6.51	6.51	-	-	-
Total (excluding accrued interest)	-	6.51	6.51	-	-	-

Actual return on plan assets is Nil (31 March 2017: Nil).

C. Defined benefit obligations

i. Actuarial assumptions

₹ in Lakhs

Particulars	31 March 2018	31 March 2017
The following are the actuarial assumptions at the reporting date:		
Discount rate	**7.80%**	7.35%
Salary escalation rate	**6.00%**	6.00%
Retirement age (years)	**60**	60
Mortality rates inclusive of provision for disability	**100% of IALM**	**(2006 - 08)**
Ages	**Withdrawal Rate (%)**	Withdrawal Rate (%)
Up to 30 Years	**3.00**	3.00
From 31 to 44 years	**2.00**	2.00
Above 44 years	**1.00**	1.00

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

₹ in Lakhs

	31 March 2018		31 March 2017	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.5% movement)	**(11.09)**	**12.34**	(4.75)	5.28
Salary escalation rate (0.5% movement)	**12.44**	**(11.32)**	5.33	(4.83)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

D. Risk exposure

a) Changes in discount rate

Reduction in discount rate in subsequent valuations can increase the plan's liability.

b) Salary increases

Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

c) Life expectancy

The plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

d) Investment risk

If plan if funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valaution date can impact the liability.

E. Expected maturity analysis of the defined benefit plans in future years

₹ in Lakhs

	Less than 1 year	**Between 1-2 years**	**Between 2-5 years**	**Over 5 years**	**Total**
31 March 2018					
Gratuity	**1.39**	**1.36**	**7.78**	**131.74**	**142.27**
31 March 2017					
Gratuity	0.62	0.34	3.09	57.87	61.91

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 20.25 years (31 March 2017: 19.68 years).

(iii) Other long term employee benefit plans

A. Leave

The Company provides for earned leave (EL) benefit (including compensated absences) to the employees of the Company which accrue annually at 30 days. Leave Encashment subject to maximum of 300 days (Earned Leave) is permissible on superannuation/separation. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date and accumulated leave is treated as Long Term Employee Benefit. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation. An amount of **₹ 143.65 Lakhs** (31 March 2017: ₹40.22 Lakhs) for the year have been made on the basis of actuarial valuation at the year end and debited to the statement of profit and loss.

B. Performance based pay

Out of the performance based pay of **₹ 205.54 Lakhs** (31 March 2017: ₹ 74.59 Lakhs) charged to Profit & Loss Account, **₹ 205.54 Lakhs** (31 March 2017: ₹72.76 Lakhs) have been paid during the year.

Out of Emoluments of **₹ 51.92 Lakhs** (31 March 2017: ₹ 54.75 Lakhs) charged to the statement of profit and loss account, the entire amount has been paid during the year.

37 Disclosure as per Ind AS 17 on 'Leases'

a) Operating leases

Leases as lessee

The Company has taken certain residential/office premises and warehouses under non-cancellable operating lease arrangements. Lease rental expenses charged during the year to the Statement of Profit and Loss amounts to ₹ **757.37** Lakhs (31 March 2017: ₹ 438.93 Lakhs).

Total future minimum lease payments due under non-cancellable operating leases are as follows:

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Less than one year	**1,538.58**	373.81
Between one and five years	**3,108.80**	1,079.01
More than five years	**1,054.46**	1,813.93
	5,701.84	3,266.75

Leases as lessor

The Company has provided certain electrical vehicles (E-vehicles) on operating lease for a period of two to six years, which can be further extended at mutually agreed terms but are not non-cancellable. Lease rentals are subject to escalation of 10% per annum. The lease rental income recognised in the statement of profit and loss for the year in respect of leases is ₹ **15.09** Lakhs (31 March 2017: ₹ Nil).

38 Contingent liabilities and commitments

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Contingent liabilities		
Irrevocable stand by letter of credit in favour of ICICI Bank, UK for £5.5 Millions in the favor of M/s EESL EnergyPro Assets Limited in London, UK valid upto 22 March 2019 with claim expiry upto 31 March 2019	**5,407.04**	4,800.00
Corporate guarantee given to Bank of Baroda, UK for availment of equity bridge loan of £12Millions by M/s EESL EnergyPro Assets Limited in London, UK	**12,919.84**	-
Corporate guarantee given to investee bank PLC, UK for availment of equity bridge loan of £3Millions by M/s EESL EnergyPro Assets Limited in London, UK	**3,691.38**	-
Claims against the Company not acknowledged as debt (VAT paid under protest)	**5,921.11**	7,183.28
Bank guarantees- lien against fixed deposits	**23.65**	19.21
On account of wage revision as per agreeement with Mass Management Services Private Limited	**28.00**	-
	27,991.03	12,002.49
Commitments		
Estimated value of contract to be executed on capital account and not provided	**816,576.95**	79,964.54
Estimated value of contract of revenue nature to be executed and not provided	**183,777.53**	143,749.09
	1,000,354.48	223,713.63

39 Fair Value Measurements

(a) Financial instruments by category

All of the Company's financial assets and liabilities viz. borrowings, retention money payable, liability for expenses, other payables, loans, cash and cash equivalents, other bank balances, unbilled revenue and trade and other receivables are measured at amortised cost.

(b) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value of financial instruments measured at amortised cost for which fair value is being disclosed, the company has classified these into levels prescribed under the Ind AS 113, ' Fair value measurement' details of which are as under:

₹ in Lakhs

Assets and liabilities which are measured at amortised cost for which fair values are disclosed (Level 2*)	As at 31 March 2018	As at 31 March 2017
Financial assets:		
Security deposits	**485.70**	121.00
Unbilled revenue	**9,307.00**	15,100.00
Loan to employees	**151.00**	70.00
Total	**9,943.70**	15,291.00
Financial liabilities:		
Borrowings	**187,290.00**	87,155.00
Retention money	**23,132.00**	3,501.00
Total	**210,422.00**	90,656.00

* Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(c) Valuation technique used to determine fair value:

i) For financial liabilities (retention money liabilities, debentures, foreign currency loans): Discounted cash flow; appropriate market borrowing rate of the entity as of each balance sheet date used for discounting.

ii) For financial assets (security deposits, employee loans, unbilled revenue) - Discounted future cash flow; appropriate market rate as of each balance sheet date used for discounting.

(d) Fair value of financial assets and liabilities measured at amortised cost

₹ in Lakhs

Particulars	31 March 2018		31 March 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Security deposits	**464.06**	**485.70**	120.27	121.00
Unbilled revenue	**6,626.26**	**9,307.00**	12,044.16	15,100.00
Loan to employees	**182.91**	**151.00**	73.68	70.00
	7,273.23	**9,943.70**	12,238.11	15,291.00
Financial liabilities				
Borrowings	**179,978.93**	**187,290.00**	82,623.85	87,155.00
Retention money	**21,723.37**	**23,132.00**	5,194.96	3,501.00
	201,702.30	**210,422.00**	87,818.81	90,656.00

The carrying amounts of current trade receivables, trade payables, payable for capital expenditure, investment in bonds, cash and cash equivalents and other financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for security deposits, unbilled revenue, employee term loans, borrowings and retention money were calculated based on cash flows discounted using a current lending rate/borrowing rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of observable market inputs.

40 Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings in foreign as well as domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade & other receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:"- Credit risk- Liquidity risk - Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, unbilled revenue, loans & advances, cash & cash equivalents and deposits with banks.

Trade receivables

The Company earns its revenue mainly from government controlled entities (both central and state government). As these entities are government controlled, the counter party risk attached to such receivables are considered to be insignificant.

For rest of the customers, Company evaluates and manages its credit risk by taking into consideration the ageing of the dues, specific credit circumstances, nature of the customers and credit worthiness of the customers.

The impairment loss allowance is assessed by the company using life time ECL approach which is based on the business environment in which the company operates. The trade receivables are considered in default (credit impaired) when the possibility of recovery of receivables based on the assessment/evaluation on the parameters stated above are deteriorating and are required to be provided as allowance for doubtful receivables in a systematic manner.

The Company has not experienced any significant impairment losses in respect of trade receivables in the past years. Since the Company has its customers within different states of India, geographically there is no concentration of credit risk.

Loans

The company has given loans to employees. The company manages its credit risk in respect of loan and advances to employee through settlement of dues against full & final payment to employees.

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ **52,066.97 Lakhs** (31 March 2017: ₹ 26,467.08 Lakhs). The cash and cash equivalents are held with banks with high rating.

Deposits with banks and financial institutions

The Company held deposits with banks and financial institutions of ₹ **5441.84 Lakhs** (31 March 2017: ₹ 5,767.04 Lakhs). In order to manage the risk, Company places deposits with only high rated banks/institutions.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current loans	**465.93**	127.59
Other non-current financial assets	**1,848.02**	10,116.07
Cash and cash equivalents	**52,066.97**	26,467.08
Deposits with banks	**5,437.22**	5,767.04
Current loans	**153.34**	66.36
Other current financial assets	**6,333.58**	8,050.65
	66,305.06	50,594.79
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	**22,218.81**	20,105.10
	22,218.81	20,105.10

(ii) Provision for expected credit losses

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The Company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly, no loss allowance for impairment has been recognised.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

The Company has customers with capacity to meet the obligations and therefore the risk of default is low. Further, management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour. However, an allowance for doubtful receivables of ₹ 196.64 Lakhs (31 March 2017: ₹ Nil) has been recognised during the year to the extent of 10% of the total outstanding of ₹ 1,966.40 Lakhs of cases which are under litigation for recovery.

(c) Financial assets for which loss allowance is measured and recommended by Comptroller and Auditor General of India

The company has not made a provision of ₹ 16.50 crores on account of subsidy not received from Delhi Government/DERC as per the recommendation made by the CAG of India of their report dated 18/10/2017 issued to Company. However, the management is of the view that the recovery is being followed up with concerned authority, which is under review and the management is confident for recovery of their dues.

(iii) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

₹ in Lakhs

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount as at 31 March 2018	-	23,656.24	6,484.74	3,822.37	1,164.71	81,251.13	116,379.18
Gross carrying amount as at 31 March 2017	-	17,194.46	39,385.22	2,541.82	2,754.26	18,265.00	80,140.76

(iv) Reconciliation of allowance for doubtful receivables

The movement in the allowance for doubtful receivables in respect of trade receivables during the year is as follows:

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening balance	-	-
Add: Allowance for doubtful debts recognised during the year	**196.64**	-
Closing balance	**196.64**	-

40 Financial Risk Management (Continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

₹ in Lakhs

Particulars	31 March 2018	31 March 2017
Fixed-rate borrowings		
Term loans	-	15,000.00
Foreign currency loans	**199,144.30**	4,575.27
Floating-rate borrowings		
Term loans	**11,500.00**	-
Foreign currency loans	**120,331.59**	-
Total	**330,975.88**	**19,575.27**

(ii) Maturitites of financial liabilities

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

31 March 2018

₹ in Lakhs

Contractual maturities of financial liabilities	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings (including interest accrued)	**2,493.90**	**7,434.29**	**17,058.77**	**105,644.58**	**52,716.79**	**185,348.33**
Current borrowings	**10,000.00**	**53,500.00**	**-**	**-**	**-**	**63,500.00**
Trade payables	**588.21**	**127,911.77**	**13.42**	**13.42**	**-**	**128,526.81**
Retention money	**-**	**11,874.46**	**837.97**	**5,724.99**	**3,285.94**	**21,723.37**
Liability for expenses	**-**	**2,186.77**	**-**	**-**	**-**	**2,186.77**
Payable to employees	**5.11**	**-**	**-**	**-**	**-**	**5.11**
Others	**310.48**	**700.16**	**-**	**-**	**-**	**1,010.64**
	13,397.70	**203,607.45**	**17,910.16**	**111,382.99**	**56,002.73**	**402,301.03**

31 March 2017

₹ in Lakhs

Contractual maturities of financial liabilities	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings (including interest accrued)	2,299.00	10,000.00	3,535.12	30,560.21	48,528.52	94,922.85
Current borrowings	-	35,000.00	-	-	-	35,000.00
Trade payables	-	45,869.51	-	-	-	45,869.51
Retention money	-	8,533.01	-	1,644.39	1,096.26	11,273.66
Liability for expenses	-	77.12	-	-	-	77.12
Payable to employees	57.63	-	-	-	-	57.63
Others	0.00	696.63	-	-	-	696.63
	2,356.63	100,176.27	3,535.12	32,204.60	49,624.78	187,897.40

40 Financial Risk Management (Continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Board of Directors is responsible for setting up of policies and procedures to manage market risks of the Company. All such transactions are carried out within the guidelines set by the risk management committee.

Currency risk

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates.

The currency profile of financial liabilities as at 31 March 2018 and 31 March 2017 are as below:

₹ in Lakhs

Particulars	31 March 2018 EURO	31 March 2018 USD	31 March 2017 EURO	31 March 2017 USD
Financial liabilities				
Foreign currency borrowings	**42,722.30**	**9,756.61**	**32,623.86**	**-**

Sensitivity analysis

A strengthening of the Indian Rupee, as indicated below, against Euro and USD at 31 March would have increased (decreased) profit or loss (before tax) by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

The analysis is performed on the same basis for previous year, except that the reasonably possible foreign exchange rate variances were different, as indicated below.

₹ in Lakhs

10% movement	Profit and loss (before tax)	
Particulars	**Strengthening**	Weakening
31 March 2018		
INR/EUR	**4,272.23**	**(4,272.23)**
INR/USD	**975.66**	**(975.66)**
	5,247.89	**(5,247.89)**

₹ in Lakhs

10% movement	Profit and loss (before tax)	
Particulars	**Strengthening**	Weakening
31 March 2017		
INR/EUR	**3,262.50**	**(3,262.50)**
INR/USD	-	-
	3,262.50	**(3,262.50)**

40 Financial Risk Management (Continued)

Interest rate risk

The Company is exposed to interest rate risk arising mainly from non-current borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Company manages the interest rate risks by entering into different kinds of loan arrangements with varied terms (e.g. fixed rate loans, floating rate loans, rupee term loans, foreign currency loans, etc.).

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

₹ in Lakhs

Particulars	31 March 2018	31 March 2017
Financial assets:		
Fixed-rate instruments		
Employee Loans	178.11	73.68
Total	178.11	73.68
Financial liabilities:		
Fixed-rate instruments		
Foreign currency loans	42,722.30	32,623.86
Debentures	127,500.00	50,000.00
Rupee term loans	26,000.00	35,000.00
	196,222.30	117,623.86
Variable-rate instruments		
Foreign currency loans	9,756.61	-
Rupee term loans	37,500.00	10,000.00
	47,256.61	10,000.00
Total	**243,478.92**	**127,623.86**

Fair value sensitivity analysis for fixed-rate instruments

The company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the previous year.

₹ in Lakhs

Particulars	Profit or loss (before tax)	
	50 bp increase	50 bp decrease
31 March 2018		
Foreign currency loans	**(2,488.93)**	2,488.93
Rupee term loans	**(2,376.43)**	2,376.43
Total	**(2,376.43)**	2,376.43

₹ in Lakhs

Particulars	Profit or loss (before tax)	
	50 bp increase	50 bp decrease
31 March 2017		
Rupee term loans	**(481.70)**	481.70
Total	**(481.70)**	481.70

41 Capital Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and

- maintain an appropriate capital structure of debt and equity.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds and sourcing by leveraging opportunities in domestic and international financial markets so as to maintain investors, creditors & markets' confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to equity shareholders.

Under the terms of major borrowing facilities, the Company is required to comply with the following financial covenants:

(i) Maintain a current ratio (current assets divided by current liabilities) of at least 1.0

(ii) Maintain a minimum asset coverage of 1.00 times

(iii) Maintain a Debt:Equity ratio (long-term debt divided by equity net of accumulated profits/losses) not exceeding 80:20

(iv) Maintain a asset debt service coverage ratio (net cash flow from operations divided by debt service obligations, including all principal payments and tax-shielded interest and lease payments following due within the year) of at least 1.2

(v) Borrower shall inform the Bank simultaneously along with Stock Exchange if substantial effect on their profit or business means an adverse variance of 20% or more.

There have been no breaches in the financial covenants of any interest bearing borrowings.

The Company monitors capital, using a medium term view of three to five years, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Company is not subject to externally imposed capital requirements.

The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of non-current and current borrowings less cash and cash equivalent. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Borrowings	**248,875.86**	129,922.86
Less : Cash and cash equivalent	**52,066.97**	26,467.08
Net debt	**196,808.89**	103,455.78
Total equity	**64,442.96**	55,533.79
Net debt to equity ratio	**3.05**	1.86

The Company monitors capital using gearing ratio which is debt divided by total equity. Debt comprises of non-current and current borrowings. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Borrowings	**248,875.86**	129,922.86
Total debt	**248,875.86**	129,922.86
Total equity	**64,442.96**	55,533.79
Debt to equity ratio	**3.86**	2.34

42 Disclosure as per Ind AS 108 'Operating Segments'

A. General Information

The Company has two reportable segments, as described below, which are the Company's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Company's reportable segments:

Trading: Sale of energy efficient appliances to the different customers

Services: Providing the energy efficient technology services on ESCO mode and consultancy services.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Company's Board. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

B. Information about reportable segments and reconciliations to amounts reflected in the financial statements:

₹ in Lakhs

Particulars	Trading		Services		Total	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017
Segment revenue						
Sale of products/ ESCO Project income/ Other consultancy	**104,788.27**	102,248.73	**30,806.00**	12,837.30	**135,594.27**	115,086.03
Segment expenses	**94,188.71**	95,854.27	**13,670.39**	5,856.83	**107,859.10**	101,711.10
Segment results	**10,599.56**	6,394.46	**17,135.61**	6,980.47	**27,735.17**	13,374.93
Unallocated corporate interest and other income					**5,476.03**	7,632.38
Unallocated corporate expenses, finance charges					**27,060.97**	12,842.10
Profit before tax					**6,150.23**	8,165.21
Income tax (net)					**2,203.98**	2,979.57
Profit after tax					**3,946.25**	5,185.64

₹ in Lakhs

Particulars	Trading		Services		Total	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017
Depreciation and amortisation expense	-	-	**13,066.01**	5,363.95	**13,066.01**	5,363.95
Non-cash expenses other than depreciation	**196.64**	-	-	-	**196.64**	-
Capital expenditure	-	-	**127,998.48**	59,266.48	**127,998.48**	59,266.48

₹ in Lakhs

Particulars	Trading		Services		Total	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017
Segment assets	**115,878.05**	79,964.66	**257,907.92**	122,891.21	**373,785.97**	202,855.87
Unallocated corporate and other assets					**100,960.15**	54,799.45
Total assets	**115,878.05**	79,964.66	**257,907.92**	122,891.21	**474,746.12**	257,655.32
Segment liabilities	**12,092.64**	14,615.18	**96,313.10**	31,254.34	**108,405.74**	45,869.52
Unallocated corporate and other liabilities					**366,340.38**	156,252.01
Total liabilities	**12,092.64**	14,615.18	**96,313.10**	31,254.34	**474,746.12**	202,121.53

The Company has not disclosed geographical segments as operations of the Company are mainly carried out within the country.

C. Information about major customers

No external customer individually accounted for more than 10% of the revenues during the year ended 31 March 2018 and 2017.

43. Disclosure as per Ind AS 24 'Related Party Disclosures'

a) List of Related parties:

i) Subsidiary of the company:

1. EESL EnergyPro Assets Limited (with effect from 13 March 2018)

ii) Joint Ventures of the company:

1. EESL EnergyPro Assets Limited (with effect from 20 March 2017 till 12 March 2018)
2. NEESL Private Limited

iii) Subsidiaries of Subsidiary of the Company

1. EPAL Holding Limited
2. Edina Acquitions Limited
3. Edina Power Services Limited
4. Edina Limited
5. Edina UK Limited
6. Edina Manufacturing Limited
7. Armoura Holdings Limited
8. Stanbeck Limited
9. Edina Power Limited
10. Edina Australia Pty Limited
11. Aneco Energy Services (South) Limited
12. Ceighton Energy Limited

iv) Entities having joint control over the company:

1. NTPC Limited
2. Power Grid Corporation of India Limited
3. Rural Electrification Corporation Limited
4. Power Finance Corporation Limited

v) Subsidiaries, joint ventures and associates of entities having joint control over the company:

1. PFC Capital Advisory Services Limited
2. PFC Consulting Limited
3. PFC Green Energy Limited
4. REC Power Distribution Co. Limited
5. Utility Powertech Limited

vi) Key Managerial Personnel (KMP):

Kaushal Kishore Sharma	Director and Chairman	w.e.f. 21 October, 2016 til 31 October, 2017
Avakash Saxena	Nominee Director	w.e.f. 22 September, 2016 till 5 February, 2018
Pankaj Kumar	Nominee Director	w.e.f. 4 August, 2017 till 15 March, 2018
Rajeev Sharma	Director and Chairman	w.e.f. 5 February, 2018
Seethapathy Chander	Independent Director	w.e.f. 5 February, 2018
Raj Pal	Nominee Director	w.e.f.14 July, 2016
Vijay Kumar Singh	Nominee Director	w.e.f. 21 October, 2016
Gauri Surendra Trivedi	Independent Director	w.e.f. 5 February, 2018

Saurabh Kumar	Managing Director	w.e.f. 7 May, 2013
Mohit Bhargava	Nominee Director	w.e.f. 5 February, 2018
Renu Narang	Director (Finance)	w.e.f. 1 March, 2018
Pooja Shukla	Company Secretary	w.e.f. 27 December, 2012
Shankar Gopal	Chief Financial Officer	w.e.f. 8 June, 2016
Anil Kumar Gupta	Director (Finance)	w.e.f. 5 February, 2016 till 26 December, 2016
S.N. Gaikwad	Director (Projects & Business Development)	w.e.f. 5 February, 2016 till 3 November, 2016
Seema Gupta	Nominee Director	w.e.f. 10 July, 2013 till 25 April, 2016
A Chakravati	Nominee Director	w.e.f. 16 January, 2014 till 12 September, 2016
Radha Krishna Srivastava	Nominee Director	w.e.f. 24 September, 2015 till 6 September, 2016
Sanjay Seth	Nominee Director	w.e.f. 3 July, 2015 till 16 September, 2016
Puliyar Krishnaswamy Ravi	Government Nominee Director	w.e.f. 20 June, 2013 till 6 July, 2016
Sameer Agarwal	Chief Financial Officer	w.e.f. 27 September, 2014 till 8 June, 2016

vii) Post Employment Benefit Plans:

Energy Efficiency Services Limited Employees Group Superannuation Defined Contribution Scheme Trust

viii) Entities under the control of the same government:

Bureau of Energy Efficiency

NHPC Limited

ONGC Limited

BHEL Limited

Coal India Limited

Indian Renewable Energy Development Agency Limited (IREDA)

b) Transactions with the related parties are as follows:*

₹ in Lakhs

Particulars	NTPC Limited	Power Grid Corporation of India Limited	Rural Electrification Corporation Limited	Power Finance Corporation Limited	Utility Powertech Limited	EESL EnergyPro Assets Limited	NEESL Private Limited	Total
i) Sales/purchase of goods and services during the year								
- Manpower services received by the Company	-	-	-	-	**1,917.19**	-	-	**1,917.19**
	(-)	(-)	(-)	(-)	(1,083.26)	(-)	(-)	(1,083.26)
- Consultancy services provided by the Company	-	-	-	-	-	-	-	-
	(261.47)	(16.30)	(91.93)	(285.13)	(-)	(-)	(-)	(654.82)
- Sales of goods	**7,953.05**	**434.72**	**95.76**	**205.94**	-	-	-	**8,689.47**
	(1,455.16)	(-)	(-)	(3.35)	(-)	(-)	(-)	(1,458.50)
- Recoverable expenses	-	-	-	-	-	**216.49**	-	**216.49**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
ii) Deputation of employees	**88.49**	-	-	-	-	-	-	**88.49**
	(181.67)	(-)	(-)	(-)	(-)	(-)	(-)	(181.67)
iii) Equity contribution received	**9,900.00**	-	-	-	-	-	-	**9,900.00**
	(9,900.00)	(-)	(9,900.00)	(9,900.00)	(-)	(-)	(-)	(29,700.00)
iv) Equity contribution paid	-	-	-	-	-	**19,179.78**	**0.26**	**19,180.04**
	(-)	(-)	(-)	(-)	(-)	(189.04)	(-)	(189.04)
v) Final dividend paid	**880.35**	**135.21**	**880.35**	**880.35**	-	-	-	**2,776.27**
	(338.57)	(52.00)	(338.57)	(338.57)	(-)	(-)	(-)	(1,067.72)
vi) Interim dividend paid	**411.72**	**63.23**	**411.72**	**411.72**	-	-	-	**1,298.39**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-
vii) Guarantee fees received	-	-	-	-	-	**190.68**	-	**190.68**
	(-)	(-)	(-)	(-)	(-)	(42.00)	(-)	(42.00)
vii) Corporate guarantee provided**	-	-	-	-	-	**22,018.27**	-	**22,018.27**
	(-)	(-)	(-)	(-)	(-)	(4,800.00)	(-)	(4,800.00)

*Figures in negative represents previous year figures. **For details refer Note 38

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Transactions with post employment benefit plans		
- Contributions made during the year	**119.57**	58.73
Compensation to Key management personnel		
- Short term employee benefits	**96.02**	80.51
- Post employment benefits	**5.85**	10.99
- Other long term benefits	**0.28**	11.62
Total Compensation to Key management personnel	**102.15**	103.12
Outstanding compensation	**0.13**	0.80

₹ in Lakhs

Transactions with the related parties under the control of the same government:

Sl. No.	Name of the Company	Nature of transaction	For the year ended 31 March 2018	For the year ended 31 March 2017
1	Coal India Limited	Consultancy services	**148.72**	-
2	Indian Renewable Energy Development Agency Limited (IREDA)	Consultancy services	**221.28**	-
3	Bureau of Energy Efficiency	Sale of goods	**2,269.46**	170.93
4	NHPC Limited	Consultancy services	**555.95**	19.55
5	ONGC Limited	Sale of goods	**380.10**	8.40
6	BHEL Limited	Sale of goods	**15.88**	62.26
			3,591.39	261.14

c) Outstanding balances with related parties are as follows:

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Amount recoverable for sale/purchase of goods and services		
- From NTPC Limited	**4,894.98**	1,645.00
- From Power Grid Corporation of India Limited	**110.74**	9.32
- From Rural Electrification Corporation Limited	**538.85**	402.08
- From Power Finance Corporation Limited	**263.76**	394.87
- From PFC Capital Advisory Services Limited	**2.32**	2.32
- From PFC Consulting Limited	**0.20**	0.69
- From PFC Green Energy Limited	**0.08**	2.79
Amount recoverable (other than loans)		
- From EESL EnergyPro Assets Limited	**449.17**	-
Amount payable (other than loans)		
- To Utility Powertech Limited	**202.36**	1,133.92

d) Terms and conditions of transactions with the related parties

(1) Transactions with the related parties are made on normal commercial terms and conditions and at market rates.

(2) There were no contracts or arrangements or transactions entered into during the year ended March 31, 2018 which were not at Arm's Length Price.

(3) The Company is receiving manpower services from M/s Utility Powertech Ltd (UPL), a 50:50 joint venture between NTPC Limited and Reliance Infrastructure Ltd.

(4) The Company provides consultancy services and sell goods to companies having joint control on which it recovers cost plus services charges from such companies.

(5) Outstanding balances of related parties at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

44 Disclosure as per Ind AS 27 'Separate financial statements'

a) Investment in subsidiary company:*

Company name	Country of incorporation	Proportion of ownership interest (%)	
		As at 31 March 2018	As at 31 March 2017
EESL EnergyPro Assets Limited (EPAL)	United Kingdom	80.00	-

b) Investment in joint venture company:*

Company name	Country of incorporation	Proportion of ownership interest (%)	
		As at 31 March 2018	As at 31 March 2017
EESL EnergyPro Assets Limited (EPAL)	United Kingdom	-	80.00
NEESL Private Limited	India	26.00	-

*Equity investments in subsidiary and joint venture companies are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'.

45 Corporate Social Responsibility Expenses (CSR)

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. However, the Company has not spent the minimum amount on the CSR activities as per the provisions of Section 135 of the Companies Act, 2013 and its schedule VII read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The details of CSR expenses for the year are as under:

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
A. Amount required to be spent during the year	**96.94**	45.72
B. Amount spent during the year on-		
(i) Construction/ acquisition of any asset	**12.27**	NIL
(ii) On purposes other than (i) above	**-**	NIL
Total	**12.27**	**NIL**

a) Amount spent during the year ended 31 March 2018: ₹ in Lakhs

Particulars	In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	10.85	1.42	12.27
On purposes other than (i) above	-	-	-

b) Amount spent during the year ended 31 March 2017: ₹ in Lakhs

Particulars	In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	-	-	-
On purposes other than (i) above	-	-	-

C. Break-up of the CSR expenses under major heads is as under:

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
1. Swachh Vidyalaya Abhiyan	-	-
2. Healthcare and sanitation	12.27	-
3. Education and skill development	-	-
4. Rural development	-	-
5. Environment	-	-
6. Drinking water	-	-
7. Sports	-	-
8. Capacity building	-	-
9. Protection of national heritage, art and culture	-	-
10. Other CSR activities	-	-
Total	**12.27**	-

46. (a) The Company has issued redeemable, taxable, non-cumulative, non-convertible bonds in the nature of debentures as follows:

₹ in Lakhs

Series	Secured/ Unsecured	Face value of each Bond	Total issue Size	Allotment Date	Security
Series-I	Secured	₹ 40,00,000/- each comprising of 2 STRPP of the value of ₹ 10,00,000/- each and 1 STRPP of the value of ₹ 20,00,000/-	50,000	20 September 2016	First pari-passu charge over moveable fixed assets of the Company with minimum asset coverage of 1.00 times
Series-II	Unsecured	Rs.10,00,000/- each	45,000	18 July 2017	Unsecured
Series-III	Unsecured	Rs.10,00,000/- each	20,000	10 January 2018	Unsecured
Series-IV	Unsecured	Rs.10,00,000/- each	12,500	29 January 2018	Unsecured

Bonds have been allotted and listed on the Bombay Stock Exchange (BSE). Proceeds of Bond issue have been utilized for the purpose mentioned in offer document.

(b) The Company is creating Debenture Redemption Reserve (DRR) for Bonds issued @ 25% (as required by Companies (Share Capital and Debentures) Rules, 2014).

(c) The Company raises funds through various sources including series of Non-Convertible Bond issue.

(d) As regards non-convertible Rupee denominated bonds:

Series	First Due Date of principal repayment	Next Due Date of Annual Interest
Series-I	20 March 2020	20 September 2018
Series-II	18 July 2022	18 July 2018
Series-III	10 February 2021	10 January 2019
Series-IV	28 May 2021	29 January 2019

47 Major Investments made during the year:

(i) The Company has subscribed to 21,515,000 shares having Face Value of £1/- each in M/s. EESL Energypro Assets Limited in London, UK equivalent to 80% shares in Equity for GBP 21,515,000.00 (₹ 19,179.78 Lakhs).

(ii) The Company has subscribed to 2600 shares having Face Value of ₹ 10/- each in M/s. NEESL Private Limited equivalent to 26% shares in Equity for ₹ 26,000.

(iii) The Company has made an advance payment of ₹ 89.21 Lakhs during the year towards the purchase of property at NBCC Center, Sahkar Marg, Jaipur for its Regional Office at Jaipur.

(iv) The Company has also made an advance payment of ₹ 88.89 Lakhs during the year towards the purchase of Built up offices in NBCC Square, Action Area-III, Rajarhat, Kolkata.

(v) The Company has also made an advance payment of ₹ 1103.72 Lakhs towards the purchase of Built up offices in commercial complex, NBCC, Nauroji Nagar New Delhi.

48 Central Board of Direct Taxes on 31 March 2015 notified 10 ICDS vide Notification no. 32/2015 [F. No. 134/48/2010 – TPL]/ SO 892(E), which is applicable to all taxpayers (corporate and non-corporate) following mercantile method of accounting including nonresident taxpayers. It applies to income computed under the head Profit and Gains of Business and Profession and Income from Other Sources. However, there is no impact on computation of Book Profits for the purposes of MAT (Minimum Alternate Tax), which will continue to be governed by the methodology according to the Companies Act, 2013.

49 Reclassifications and comparative figures

Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements

As a result, certain line items have been reclassified in the statement of cash flows and notes to the financial statements, the details of which are as under:

Items of statement of cash flows before and after reclassification

₹ in Lakhs

Sl. No.	Particulars	Before reclassification	Reclassification	After reclassification
1	Finance costs - Cash flow from operating activities	3,681.33	1,497.97	5,179.30
	Acquisition of property, plant and equipment and intangible assets - Cash flow from investing activities	(38,395.81)	333.66	(38,062.15)
	Additions in capital work-in-progress - Cash flow from investing activities	(22,333.96)	421.66	(21,912.30)
	Finance costs - Cash flow from financing activities	(1,527.41)	(2,253.29)	(3,780.70)
2	Other bank balances - Cash flow from operating activities	(5,341.76)	5,341.76	-
	Bank balances other than cash and cash equivalents -Cash flow from investing activities	-	(5,341.76)	(5,341.76)

Items of notes to the financial statements before and after reclassification

₹ in Lakhs

Sl. No.	Particulars	Before reclassification	Reclassification	After reclassification
1	Interest income from deposits with banks - Note 29	-	1,440.11	1,440.11
	Interest income from others - Note 29	1,493.49	(1,440.11)	53.38
2	Miscellaneous expenses -Note 33	163.99	(59.08)	104.91
	Communication expenses - Note 33	-	22.42	22.42
	Recruitment expenses - Note 33	-	36.66	36.66

50 Recent accounting pronouncements

Standards issued but not yet effective:

Ind AS 115 'Revenue from Contracts with Customers'

On 28 March 2018, Ministry of Corporate Affairs (MCA) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors“
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

  The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018.The Company will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28 March 2018, Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

For and on behalf of the Board of Directors

As per our audit report of even date annexed.

For VPGS & Co.
Chartered Accountants
FRN 507971C

Saurabh Kumar Managing Director DIN : 06576793	**Renu Narang** Director Finance/CFO DIN : 08070565	**Pooja Shukla** Company Secretary	**Gulshan Gaba** Partner M. No. 088726

Place : New Delhi
Date : 29th May, 2018

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ENERGY EFFICIENCY SERVICES LIMITED

Report on the Consolidated Ind AS Financial Statement

We have audited the accompanying Consolidated Ind AS financial statements of Energy Efficiency Services Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its jointly controlled entity; (refer Note 1 to the attached consolidated Ind AS financial statements), comprising of the Consolidated Balance Sheet as at 31st March 2018, the Consolidated statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow statement, the Consolidated statement of changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "Consolidated Ind AS financial statement").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and changes in equity of the Group including its jointly controlled entity in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the Companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled entity respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor cosiders internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, other than the unaudited financial statements/financial information as certified by the management and referred to in 'Other Matters' paragraph below, is sufficient appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.

Basis of Qualified Opinion

1.

a) Attention is invited to the Note 11 to the Consolidated Ind AS Financial Statements on the accounting treatment of Trade Receivables. These receivables are due from government-controlled entities (both central and statement government) and other customers. Significant amount is outstanding for the period of more than 360 days which accounts for about 27.64% of total outstanding as on 31-03-2018, the management has given explanation that such long overdue outstanding have arisen in the normal course of business.

   Attention is invited to Note no. 41 with regard to financial risk management of Trade receivables in the Consolidated Ind AS Financial Statements which is stated as under:

   "The Group earns its revenue mainly from government-controlled entities (both central and state government). As these entities are government controlled, the counter party risk attached to such receivables are considered to be insignificant. For rest of the customers, Group evaluates and manages its credit risk by taking into consideration the ageing of the dues, specific credit circumstances, nature of the customers and credit worthiness of the customers. The Impairment loss allowance is assessed by the Group using life time ECL approach which is based on the business environment in which the Group operates. The trade receivables are considered in default (credit impaired) when the possibility of recovery of receivables based on assessment/evaluation on the parameters stated above are deteriorating and are required to be provided for allowance on doubtful receivables in a systematic manner. The Group has not experienced any significant impairment losses in respect of trade receivables in the past years. Since the Group has its customers within different states of India and different countries outside India, geographically there is not concentration of credit risk."

As required under the above provisioning policy of the Group, the management has not furnished assessment/evaluation of credit risk based on factors such as ageing of dues, specific credit circumstances, nature and credit worthiness of the non-government-controlled entities/ customers. Therefore, we are unable to quantify the impact on the consolidated financial statements on account of possible allowance on doubtful trade receivables due to expected credit loss in case of default (except those mentioned below which are under litigation for recovery).

b) Attention is invited to Note No. 41 (ii) (b) with regard to Financial assets for which loss allowance is measured using life time expected credit losses in the Consolidated Ind AS Financial Statements which is stated as under:

"The Group has customers with capacity to meet the obligations and therefore the risk of default is low. Further, management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour. However, an allowance for doubtful receivables of ₹ 196.64 Lakhs (31 March 2017 : ₹ Nil.) has been recognised during the year to the extent of 10% of the total outstanding of ₹ 1966.40 lakhs in respect of cases which are under litigation for recovery".

Though as per management prudence an allowance of ₹ 196.64 lakhs on doubtful receivables has been recognised during the year which is to the extent of 10% of the total outstanding of ₹ 1966.40 lakhs in respect of cases under litigation for recovery, in our opinion such cases are still to be assessed/evaluated for ascertaining credit risk based on factors such as ageing of dues, specific credit circumstances, nature and credit worthiness of the customers as defined in the policy of the management for the purpose of creating allowance on such doubtful trade receivables due to expected credit loss in case of default. In absence of aforesaid evaluation of such cases by the management, we are unable to quantify the actual impact on the Consolidated financial statements on account of further possible allowance on such doubtful trade receivables (which are under litigation for recovery) due to expected credit loss in case of default.

2. Attention is invited to the Note no. 34 to the Consolidated Ind AS Financial Statements on the accounting treatment of Advertisement expenses. During the financial year 2017-18, the Group has incurred expenditure amounting to ₹ 8.77 cr on advertisement out of which ₹ 6.38 cr has been deferred as prepaid expenses which is shown under the head "Other Current Assets" (Note no. 16 to the financial statements). Such treatment of revenue expenditure is not consistent with the principles enunciated under Ind AS 38, "Intangible Assets". This was also a subject matter of qualification in previous auditor's report on the consolidated Ind AS financial statements for the year ended 31 March 2017.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in paragraph 1 & 2 of the basis for qualified opinion paragraph above, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs of the Group, its jointly controlled entity as at March 31, 2018, and their consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matter

1. Attention is invited to Note no. 10(c) on Trade Receivables and Note no. 25(c) on Trade Payables in the Consolidated Ind AS Financial Statements, that Trade Receivables and Trade Payables are subject to confirmations, reconciliation and consequential adjustments that may arise on reconciliation.
2. Attention is invited to Note no. 16(b) and Note No. 27(a) to the Consolidated Ind AS Financial statements that the sales, corresponding output tax liability and purchases along with corresponding input tax credit reported in GST and VAT returns, the net input tax credit receivable or the net output tax liability payable, as the case may be, are subject to reconciliation with the books of accounts. Differences which will be identified on reconciliation of GST/VAT returns will be addressed in annual GST/VAT statement/Revised returns to be filed in due course.
3. Attention is invited to note no. 41 (ii) (c) on Financial Risk Management that the Group has not made a provision of ₹ 16.50 Crores on account of Subsidy not received from Delhi Government/DERC as per the recommendation made by the Comptroller and Auditor General of India in their report dated 18th October 2017 issued to Holding company. However, the management is of the view that the recovery is being followed up with Concerned Authority, which is under review and the management is confident for the recovery of their dues.

Our opinion is not modified in respect of these matters.

Other Matters

a) We did not audit the financial statements and other financial information, in respect of 1 direct foreign Subsidiary, 11 foreign step down foreign subsidiaries, whose financial statements reflect Total Assets of ₹ 91,132.07 Lakh & net assets of ₹ 23,329.79 lakhs as at 31st March 2018, Total Revenue of ₹ 7,221.69 Lakhs, and total comprehensive income (comprising of profit/loss and other comprehensive income) of ₹ 85.65 lakhs and net cash flows amounting to ₹ (-) 27,581.97 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements of the Group. These Financial statements have been certified by the management of the respective foreign subsidiary companies & accompanied with duly signed auditor's report of their respective auditors, whose reports have been furnished to us by the Management of Holding company and our opinion on Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

b) We did not audit the financial statements of 1 step down foreign subsidiary whose financial statements/information reflect total assets of ₹ 510.74 lakhs and net assets of ₹ 94.35 lakhs as at March 31, 2018, Total Revenue of ₹ 21.69 Lakhs, and total comprehensive income (comprising of profit/loss and other comprehensive income) of ₹ (-) 3.30 lakhs and net cash inflows amounting to ₹ (-) 161.36 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements/information. In our opinion and according to the information and explanations given to us by the Management, this financial statements/information are not material to the Group.

c) We did not audit the financial statements and other financial information in respect of two Joint controlled entities (companies) out of which one foreign company got converted into foreign subsidiary company on 13th March 2018 whose financial statements & information post conversion has been included in aforesaid Para (a) of the other matters & hence financial statements of remaining jointly controlled domestic company reflect Total Assets of ₹ 640.53 lakhs & net assets of ₹ 11.20 lakhs as at 31st March 2018, Total Revenue of ₹ 566.45 lakhs, and total comprehensive income (comprising of profit/loss and other comprehensive income) of ₹ 10.20 lakhs and net cash flows amounting to ₹ 1.01 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements of the Group. The Financial statements of such jointly controlled company have been audited by the other auditors, whose reports have been furnished to us by the Management of holding company and our opinion on Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid Joint controlled entity and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid Jointly controlled entity, is based solely on the reports of such other auditors.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and other financial information of subsidiaries and jointly controlled entity as noted in other matter paragraph, we report, to the extent applicable, that:

   a. We have sought and, except for the matter described in sub paragraph 1 & 2 of the basis for the qualified opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

   b. In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, and jointly controlled company incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group, and jointly controlled company incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.

   d. In our opinion, except for the effect of the matters described in the Basis of Qualified Opinion paragraph above, the aforesaid Consolidated Ind AS financial statements comply with the Indian According Standards specified under Section 133 of the Act read with relevant rules issued thereunder.

   e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company (but excluding all its subsidiary companies which are incorporated outside India) and including the report of jointly controlled company incorporated in India, none of the directors of the Holding company and jointly controlled company incorporated in India are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company (but excluding all its subsidiary companies which are incorporated outside India) and including its jointly controlled company incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in **Annexure A**;

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated Ind AS financial statements disclose the impact of pending litigations as at March 31, 2018 on the consolidated financial position of the Group and its jointly controlled company - Refer Note 39 & 41(ii)(b) to the consolidated Ind AS financial statements.

      ii. The Group and its jointly controlled company did not have any material foreseeable losses on long-term contracts including derivative contracts as at March 31, 2018.

      iii. No amount is required to be transferred to the Investor Education and Protection Fund by the Holding Company, all its subsidiary companies which are incorporated outside India and the Jointly controlled entity incorporated in India during the year ended March 31, 2018.

For VPGS & Co.
Chartered Accountants
Firm's registration number: 507971C

Gulshan Gaba
Partner
Membership number: 088726

Place: New Delhi
Date: 10th December, 2018

Annexure - "A"

Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Energy Efficiency Services Limited on the Consolidated Ind AS Financial Statements for the year ended 31 March 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Energy Efficiency Services Limited ("the Holding Company") and all its subsidiary companies which are incorporated outside India ("foreign subsidiaries) and its jointly controlled entity which is a company incorporated in India ("Joint Venture") as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company (but excluding all its subsidiary companies which are incorporated outside India) and including its Joint Venture, both of which are Companies incorporated in India, as of that date.

Reporting under section 143(3)(i) of the Act is not applicable to subsidiaries of the company which are incorporated outside India as per the guidance note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the holding company and its Joint Venture, which are Companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company incorporated in India considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013 ("the Act")

Auditors' Responsibility

Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its Joint Venture Company as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on internal financial control system over financial reporting of the Holding Company and its Joint Venture Company as aforesaid.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (I) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company & its joint venture which are companies incorporated in India, have in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal controls over financial reporting criteria established by the Company, considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For VPGS & Co.
Chartered Accountants
Firm's registration number: 507971C

Gulshan Gaba
Partner
Membership number: 088726

Place: New Delhi
Date: 10th December, 2018

EESL signed an MoU with New & Renewable Energy Development Corp. of Andhra Pradesh to supply 10,000 electric vehicles & 4,000 chargers to the AP Government, in the august presence of Hon'ble Chief Minister, AP.

ENERGY EFFICIENCY SERVICES LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018

₹ in Lakhs

Particulars	Note No.	As at 31 March, 2018	As at 31 March, 2017
ASSETS			
Non-current Assets			
Property, plant and equipment	2	**91,157.78**	60,109.90
Capital work-in-progress	3	**1,29,348.91**	36,618.37
Goodwill	4	**44,163.34**	-
Other intangible assets	4	**1,636.48**	72.78
Investments in joint venture accounted for using equity method	5	**2.91**	180.63
Financial assets			
Investments	6	**1,440.51**	-
Loans	7	**5,475.59**	127.59
Other financial assets	8	**3,814.49**	10,116.07
Deferred tax asset	22	**356.80**	-
Other non-current assets	9	**1,703.37**	594.62
Total non-current assets		**2,79,100.18**	1,07,819.96
Current assets			
Inventories	10	**41,297.89**	15,464.97
Financial assets			
Trade receivables	11	**1,29,847.96**	80,140.76
Cash and cash equivalents	12	**55,878.19**	26,467.08
Bank balances other than cash and cash equivalents	12A	**6,857.92**	5,767.04
Loans	13	**166.33**	66.36
Other financial assets	14	**6,351.65**	8,050.65
Current tax assets (net)	15	**2,548.92**	622.74
Other current assets	16	**24,864.90**	13,247.35
Total current assets		**2,67,813.76**	1,49,826.95
TOTAL ASSETS		**5,46,913.94**	2,57,646.91
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	**46,200.00**	46,200.00
Other equity	18	**18,122.45**	9,325.38
Equity attributable to owners		**64,322.45**	55,525.38
Non-controlling interests		**4,684.84**	-
Total equity		**69,007.29**	55,525.38
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19	**2,06,514.95**	82,623.86
Other financial liabilities	20	**8,019.85**	5,194.96
Provisions	21	**410.39**	223.16
Deferred tax liabilities (net)	22	**349.98**	8.37
Other non-current liabilities	23	**643.19**	43.95
Total non-current liabilities		**2,15,938.36**	88,094.30
Current liabilities			
Financial liabilities			
Borrowings	24	**71,344.06**	35,000.00
Trade payables	25	**1,51,612.76**	45,869.52
Other financial liabilities	26	**31,197.63**	17,214.64
Other current liabilities	27	**7,006.56**	15,607.95
Provisions	28	**566.16**	10.82
Current tax liabilities (net)		**241.12**	324.30
Total current liabilities		**2,61,968.29**	1,14,027.23
TOTAL EQUITY AND LIABILITIES		**5,46,913.94**	2,57,646.91
Significant Accounting Policies	1		

The accompanying notes 1 to 52 form an integral part of these financial statements.

For and on behalf of the Board of Directors

As per our audit report of even date annexed.

For VPGS & Co.
Chartered Accountants
FRN 507971C

Saurabh Kumar
Managing Director
DIN : 06576793

Renu Narang
Director Finance/CFO
DIN : 08070565

Pooja Shukla
Company Secretary

Gulshan Gaba
Partner
M. No. 088726

Place : New Delhi
Date : 10th December, 2018

ENERGY EFFICIENCY SERVICES LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

₹ in Lakhs

Particulars	Note No.	For the year ended 31 March 2018	For the year ended 31 March 2017
Income			
Revenue from operations	29	**1,42,782.46**	1,15,086.03
Other income	30	**5,522.35**	7,632.37
Total income		**1,48,304.81**	1,22,718.40
Expenses			
Purchase of stock-in-trade		**1,06,538.06**	80,002.15
Distribution expenses (Ujala)		**4,901.04**	8,188.53
Media expenses (Ujala)		**861.04**	2,015.12
(Increase)/Decrease in inventories	31	**(14,528.60)**	2,485.60
Employee benefits expense	32	**4,520.26**	2,090.66
Finance costs	33	**13,523.97**	6,156.09
Depreciation and amortization expense	2	**13,361.18**	5,543.57
Other expenses	34	**12,733.19**	8,071.47
Total expenses		**1,41,910.14**	1,14,553.19
Profit before share of net profits/(losses) of investments accounted for using equity method and tax		**6,394.67**	8,165.21
Add: Share of net profits/(losses) of joint ventures accounted for using equity method		**(167.84)**	(5.94)
Profit before tax		**6,226.83**	8,159.27
Tax expense	35		
Current tax			
Current year		**2,252.10**	3,110.27
Earlier years		**421.40**	(5.44)
Deferred tax credit		**161.82**	(125.26)
Total tax expense		**2,835.32**	2,979.57
Profit for the year		**3,391.51**	5,179.70
Other comprehensive income/ (expense)			
Items that will not be reclassified to profit or loss (net of tax)			
- Net actuarial losses on defined benefit plans		**(7.85)**	(4.35)
Items that will be reclassified to profit or loss (net of tax)			
- Exchange differences on translation of foreign operations		**459.12**	(2.47)
Other comprehensive income/ (expense) for the year, net of income tax		**451.27**	(6.82)
Total comprehensive income for the year		**3,842.78**	5,172.88
Profit attributable to			
Owners of Energy Efficiency Services Limited		**3,468.89**	5,179.70
Non-controlling interests		**(77.38)**	-
		3,391.51	5,179.70
Other comprehensive income attributable to			
Owners of Energy Efficiency Services Limited		**357.42**	(6.82)
Non-controlling interests		**93.85**	-
		451.27	(6.82)
Total comprehensive income attributable to			
Owners of Energy Efficiency Services Limited		**3,826.31**	5,172.88
Non-controlling interests		**16.47**	-
		3,842.78	5,172.88
Earnings per equity share (Par value ₹ 10/- each)	36		
Basic (₹)		**0.75**	1.17
Diluted (₹)		**0.75**	1.17

The accompanying notes 1 to 52 form an integral part of these financial statements.

For and on behalf of the Board of Directors

As per our audit report of even date annexed.

For VPGS & Co.
Chartered Accountants
FRN 507971C

Saurabh Kumar	**Renu Narang**	**Pooja Shukla**	**Gulshan Gaba**
Managing Director	Director Finance/CFO	Company Secretary	Partner
DIN : 06576793	DIN : 08070565		M. No. 088726

Place : New Delhi
Date : 10th December, 2018

ENERGY EFFICIENCY SERVICES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

₹ in Lakhs

	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	**6,226.83**	8,159.27
	Adjustment for:-		
	Depreciation and amortization expense	**13,361.18**	5,543.57
	Interest income	**(2,670.56)**	(1,493.49)
	Finance costs	**9,649.69**	5,179.30
	Net loss on foreign currency transactions and translation	**3,854.04**	(1,974.18)
	Deferred rent expense	**29.03**	16.56
	Share of net profits/(losses) of joint ventures	**167.84**	5.94
	Allowance for doubtful receivables	**196.65**	-
	Gain on financial assets measured at fair value through profit or loss	**6.81**	-
	Operating profit before working capital changes	**30,821.51**	15,436.97
	Adjustment for:		
	(Increase) in Trade receivables	**(40,882.33)**	(45,640.95)
	(Increase)/ Decrease in Inventories	**(14,665.15)**	3,425.42
	(Increase) in loans, other financial assets and other assets	**6,730.74**	(7,491.01)
	Increase in trade payables, other financial liabilities and other liabilities	**89,061.31**	46,394.61
	Increase in provisions	**730.57**	131.22
	Cash generated from operations	**40,975.14**	(3,180.71)
	Income tax paid	**(4,279.24)**	(2,732.79)
	NET CASH FROM/ (USED IN) OPERATING ACTIVITIES - A	**67,517.41**	9,523.47
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Acquisition of property, plant and equipment and intangible assets	**(38,783.07)**	(38,062.15)
	Additions to capital work-in-progress	**(90,559.73)**	(21,912.30)
	Payment for acquisition of subsidiary, net of cash acquired	**(34,248.38)**	-
	Investments	**(1,925.05)**	(189.04)
	Interest income	**2,670.56**	1,493.49
	Bank balances other than cash and cash equivalents	**559.62**	(5,341.76)
	Loan given	**(5,348.00)**	-
	NET CASH USED IN INVESTING ACTIVITIES - B	**(1,67,634.05)**	(64,011.76)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from non-current borrowings	**1,14,846.23**	45,148.58
	Repayment of non-current borrowings	**(10,000.00)**	-
	Net proceeds from current borrowings	**28,303.79**	6,500.00
	Finance costs	**(8,976.26)**	(3,780.70)
	Issue of equity share capital	**-**	9,900.00
	Share application money (pending allotment)	**9,900.00**	-
	Share issue costs	**(25.01)**	(19.42)
	Dividend paid	**(4,074.69)**	(1,067.72)
	Tax on dividend	**(829.54)**	(223.37)
	Axis credit card	**(4.10)**	0.98
	NET CASH FROM FINANCING ACTIVITIES - C	**1,29,140.42**	56,458.35
	Net increase in cash and cash equivalents (A+B+C)	**29,023.78**	1,970.06
	Effect of exchange differences on translation of foreign currency cash and cash equivalents	**387.33**	-
	Net increase in cash and cash equivalents	**29,411.11**	1,970.06
	Cash and cash equivalents at the beginning of the year	**26,467.08**	24,497.02
	Cash and cash equivalents at the end of the period	**55,878.19**	26,467.08

Notes:

₹ in Lakhs

1. Cash and cash equivalents consists of cash on hand and balance with banks.
2. Reconciliation of cash and cash equivalents:

Cash and cash equivalents as per Note-12	As at 31 March 2018	As at 31 March 2017
Cash on hand- Imprest	**32.21**	8.04
Balance with banks - Current accounts	**55,839.59**	26,459.04
Balance with banks - Deposit accounts	**6.39**	-
	55,878.19	26,467.08

3. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

₹ in Lakhs

Particulars	Non-current borrowings*	Current “borrowings	Interest on borrowings
Opening balance as at 1 April 2017	**92,623.85**	**35,000.00**	**2,299.00**
Cash flow during the year	1,04,868.11	28,500.00	(8,835.23)
Acquired in business combination	12,159.56	7,844.06	-
Non-cash changes due to:			
- Variation in exchange rates	5,598.67	-	-
- Interest accrued	-	-	12,010.65
Closing balance as at 31 March 2018	**2,15,250.19**	**71,344.06**	**5,474.42**

* Includes current maturities of non-current borrowings, refer Note 26.

4. Refer Note 41 for details of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments.

For and on behalf of the Board of Directors

As per our audit report of even date annexed.

For VPGS & Co.
Chartered Accountants
FRN 507971C

Saurabh Kumar
Managing Director
DIN : 06576793

Renu Narang
Director Finance/CFO
DIN : 08070565

Pooja Shukla
Company Secretary

Gulshan Gaba
Partner
M. No. 088726

Place : New Delhi
Date : 10th December, 2018

Generating employment, empowering women: EESL sets up assembly and distribution centres for Solar Study Lamps that are run by local women.

ENERGY EFFICIENCY SERVICES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

A. Equity share capital

₹ in Lakhs

Balance as at 1 April 2017	**46,200.00**
Changes in equity share capital during the year	-
Balance as at 31 March 2018	**46,200.00**

₹ in Lakhs

Balance as at 1 April 2016	16,500.00
Changes in equity share capital during the year	29,700.00
Balance as at 31 March 2017	**46,200.00**

B. Other equity

For the year ended 31 March 2018 ₹ in Lakhs

Particulars	Reserves & surplus			OCI		
	Share application money pending allotment	Debenture redemption reserve	Retained earnings	Foreign Currency Translation Reserve	Non-controlling interests	Total
Balance as at 1 April 2017	**-**	**1,452.99**	**7,874.86**	**(2.47)**	**-**	**9,325.38**
Profit for the year	-	-	3,468.89	-	(77.38)	3,391.51
Other comprehensive income/ (expense)	-	-	(7.85)	365.27	93.85	451.27
Total comprehensive income	**-**	**-**	**3,461.04**	**365.27**	**16.47**	**3,842.78**
Non-controlling interests on acquisition of subsidiaries	-	-	-	-	4,668.37	4,668.37
Addition during the year	9,900.00	-	-	-	-	9,900.00
Transfer to/(from) retained earnings	-	5,062.22	(5,074.83)	12.61	-	0.00
Transaction cost arising on increase in authorised share capital, net of tax	-	-	(25.01)	-	-	(25.01)
Final dividend (including tax) for FY 2016-17 (refer note 17)	-	-	(3,341.47)	-	-	(3,341.47)
Interim dividend (including tax) for FY 2017-18 (refer note 17)	-	-	(1,562.76)	-	-	(1,562.76)
Balance as at 31 March 2018	**9,900.00**	**6,515.21**	**1,331.83**	**375.41**	**4,684.84**	**22,807.29**

For the year ended 31 March 2017 ₹ in Lakhs

Particulars	Reserves & surplus			OCI		
	Share application money pending allotment	Debenture redemption reserve	Retained earnings	Foreign Currency Translation Reserve	Non-controlling interests	Total
Balance as at 1 April 2016	**19,800.00**	**-**	**5,463.01**	**-**	**-**	**25,263.01**
Profit for the year	-	-	5,179.70	-	-	5,179.70
Other comprehensive income	-	-	(4.35)	(2.47)	-	(6.82)
Total comprehensive income	**-**	**-**	**5,175.35**	**(2.47)**	**-**	**5,172.88**
Issue of equity shares	(19,800.00)	-	-	-	-	(19,800.00)
Transfer to/(from) retained earnings	-	1,452.99	(1,452.99)	-	-	-
Transaction cost arising on issue of equity shares, net of tax	-	-	(19.42)	-	-	(19.42)
Final dividend (including tax) for FY 2015-16 (refer note 17)	-	-	(1,291.09)	-	-	(1,291.09)
Balance as at 31 March 2017	**-**	**1,452.99**	**7,874.86**	**(2.47)**	**-**	**9,325.38**

For and on behalf of the Board of Directors

As per our audit report of even date annexed.

For VPGS & Co.
Chartered Accountants
FRN 507971C

Saurabh Kumar
Managing Director
DIN : 06576793

Renu Narang
Director Finance/CFO
DIN : 08070565

Pooja Shukla
Company Secretary

Gulshan Gaba
Partner
M. No. 088726

Place : New Delhi
Date : 10th December, 2018

Notes to consolidated financial statements

1. Group Information and Significant Accounting Policies

A. Reporting entity

"Energy Efficiency Services Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: U40200DL2009PLC196789). The Company has its debt securities listed on BSE Limited. The address of the Company's registered office is 4th Floor, Sewa Bhawan, R.K. Puram, New Delhi - 110066. The Company is a Joint Venture of NTPC Limited, Power Finance Corporation Limited, Rural Electrification Corporation Limited and Power Grid Corporation of India Limited and is engaged in implementation of energy efficiency projects.

These consolidated financial statements comprise the Company, its subsidiaries and its interest in joint ventures (referred to collectively as the 'Group'). For details of group structure, refer note 47.

The Company acts as the resource center for capacity building for State Distribution Companies (DISCOMs), Energy Regulatory Commissions (ERCs), State Development Authorities (SDAs), upcoming ESCOs, financial institutions, etc. The Group provides energy saving services, manufactures, sales, installs, hires and services diesel and gas powered generators and related spare parts and invests in and rental of property.

The principal activities of the Company's subsidiaries is the manufacture, installation, containerisation, sale and service of diesel and gas generators and the sale of related spare parts.

B. Basis of preparation

1. Statement of Compliance

These consolidated financial statements are prepared on accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable) and applicable provisions of the Companies Act, 1956, to the extent applicable.

These consolidated financial statements were authorised for issue by Board of Directors on 10 December 2018.

2. Basis of measurement

The consolidated financial statements have been prepared on the historical cost except for:

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments); and
- Plan assets in the case of employees defined benefit plans that are measured at fair value.

The methods used to measure fair values are discussed in notes to the consolidated financial statements.

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

3. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is the Company's functional currency. All financial information presented in ₹ has been rounded to the nearest lakhs (upto two decimals), except as stated otherwise.

4. Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

C. Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the consolidated financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the consolidated financial statements.

The Group had elected to utilize the option under Ind AS 101 by not applying the provisions of Ind AS 16 & Ind AS 38 retrospectively and continue to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS. Therefore, the carrying amount of property, plant and equipment and intangible assets as per the previous GAAP as at 1 April 2015, i.e. the Group's date of transition to Ind AS, were maintained on transition to Ind AS.

1. Basis of consolidation

The financial statements of Subsidiary Companies and Joint ventures are drawn up to the same reporting date as of the Company for the purpose of consolidation.

1.1. Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests (NCI) in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

1.2. Joint ventures

Interests in joint ventures are accounted for using the equity method after initially being recognised at cost in the consolidated balance sheet.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income.

Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted material investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted as investments are tested for impairment in accordance with the policy described in C.14.3 below.

When the group ceases to apply equity method of accounting for an investment because of a loss of joint control, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2. Property, plant and equipment

2.1. Initial recognition and measurement

An item of property, plant and equipment is recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Items of property, plant and equipment are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation/ amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Project Development Cost incurred on ESCO Model Energy Efficiency Projects other than LED projects undertaken by the Group are recognised as property, plant and equipment.

Project Development Cost includes purchase price, taxes and duties, labour cost and any other cost directly attributable to the implementation of the project or acquisition of property, plant and equipment are allocated on systematic basis on implementation of projects, incurred up to the date when the asset is ready for its intended use.

When parts of an item of property, plant and equipment have different useful lives, they are recognised separately.

In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalisation is done on provisional basis subject to necessary adjustment in the year of final settlement.

2.2. Subsequent costs

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the Group and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

2.3. Decommissioning costs

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

2.4. Derecognition

Property, plant and equipment is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on derecognition of an item of property, plant and equipment are determined by comparing the proceeds from disposal, if any, with the carrying amount of property, plant and equipment, and are recognised in the statement of profit and loss.

2.5. Depreciation

Depreciation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation is provided on pro rata basis on Straight Line Method using the rate arrived on useful lives of assets, specified in part C of Schedule II thereto of the Companies Act 2013.

Freehold land is not depreciated.

Estimated useful lives of the assets, based on technical assessment, which are different in certain cases from those prescribed in Schedule II to the Act, are as follows:

Nature of assets	Life of property, plant and equipment
Cell phones	2 years
ESCO projects other than LED projects	Project period
Lease hold improvement	Lease period
Residential assets	3 years

Estimated useful lives of the assets of foreign subsidiaries are as follows:

Nature of assets	Life of property, plant and equipment
Buildings	50 years
ESCO projects equipment	Project period
Motor vehicles	5/6 years
Fixtures and fittings	10/8/6 years
Plant and machinery	8/6 years
Computer equipment	8/6 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions to/deductions from property, plant & equipment during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposed.

Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, the unamortised balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/ amortisation.

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortised depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

3. Capital work-in-progress

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

If the ESCO Model Energy Efficiency project doesn't materialise, then the expenditure incurred in respect of the same will be charged to Statement of Profit and Loss in that year.

4. Intangible assets

4.1. Initial recognition and measurement

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Group, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortisation and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

4.2. Derecognition

An intangible asset is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on derecognition of an item of intangible assets are determined by comparing the proceeds from disposal, if any, with the carrying amount of intangible assets and are recognised in the statement of profit and loss.

4.3. Amortisation

Cost of software recognised as intangible asset, is amortised on straight line method over a period of legal right to use or 3 years, whichever is less.

5. Borrowing costs

Borrowing costs consist of:

a) Interest expense calculated using the effective interest method as described in Ind AS 109 - 'Financial Instruments' and

b) Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Group borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalised. When Group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalisation of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition or construction of the qualifying asset.

Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalisation. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete.

Other borrowing costs are recognised as an expense in the year in which they are incurred.

The borrowing cost proportionate to the unutilised amount of borrowings are being kept for utilization of qualifying assets being carried forward for capitalization in the subsequent year of utilization.

6. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

7. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

8. Government grants

Government grants related to assets are recognized initially as deferred income when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the related asset. Grants that compensate the Group for expenses incurred are recognized over the period in which the related costs are incurred and deducted from the related expenses.

9. Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

10. Foreign currency transactions and translations

10.1. Foreign currency transactions

Transactions in foreign currencies are initially recorded at the prevailing exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated by applying the RBI reference rate at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of property, plant & equipment recognised upto 31 March 2016 are adjusted to carrying cost of property, plant & equipment.

Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

10.2. Foreign operations

The assets and liabilities of foreign operations (i.e. subsidiary) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

11. Revenue

Group's revenues arise from sale of goods, rendering of services and other income. Revenue from other income comprises interest from banks, employees, customers, other miscellaneous income, etc.

11.1. Revenue from sale of goods

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

11.2. Revenue from rendering of services

Revenue from services rendered is generally recognized in proportion to the stage of completion of the transaction at the reporting date. Revenue is recognized when the following conditions are met:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity;
- The stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

The revenue recognition in respect of the various streams of revenue is described as follows:

Streetlight and agricultural pumps projects:

Revenue from supply & installation of street lights and agricultural pumps projects is recognised in the statement of profit and loss based on the agreement with the customer on accrual basis.

Consultancy service projects:

Revenue from consultancy services rendered is recognised in the statement of profit and loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to actual progress/technical assessment of work executed, in line with the terms of the respective contracts.

E-vehicles leases:

Revenue from leases of e-vehicles is recognised as per policy no. C.14.2.

11.3. Other income

Interest income is recognised, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

For debt instruments measured at amortised cost, interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

The interest/surcharge on late payment/overdue sundry debtors for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.

11.4. Expenses

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.

11.5. Expenses on Consultancy Contracts

Expenses on consultancy contracts are accounted for proportionate to income accounted for based on the progress of service rendered on that contract.

11.6. Expenses on Awareness on UJALA programme

Expenses incurred on advertisement / awareness on DELP / UJALA programme in the state is charged to statement of profit and loss in proportionate to LED bulbs distributed in current year vis-a-vis the total targeted LED bulbs distribution for that respective state at the beginning of year and balance amount is carried forward for charging to statement of profit and Loss in subsequent years. Similarly expenses incurred on National Media Campaigning for DELP / UJALA programme is charged to statement of profit & loss in proportionate to the total LED bulbs distributed in current financial year vis-a-vis the overall targeted LED bulbs distribution under DELP/ UJALA programme at the beginning of the year and balance amount is carried forward for charging to statement of Profit & Loss in subsequent years.

12. Employee benefits

12.1. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefits expense in the statement of profit and loss in the period during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due after more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

The Company pays fixed contribution to Provident Fund at predetermined rates to regional provident fund commissioner. Further, the group voluntary contributes 6% to an external pension fund for the employees of its subsidiaries.

During the previous year, company has set up a trust for Contributory Superannuation Scheme which provides pension benefits and company pays a fixed contribution to the trust.

The contributions to these funds for the year are recognised as expense and are charged to the statement of profit and loss.

12.2. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity are in the nature of defined benefit plans. The Company contributes to (Life Insurance Corporation of India) a fund set up by the Company and administered by a board of trustees with respect to its gratuity obligation.

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities. Any actuarial gains or losses are recognised in other comprehensive income (OCI) in the period in which they arise.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in statement of profit and loss.

12.3. Other long-term employee benefits

Benefits under the Company's leave encashment constitute other long term employee benefit.

The Company's net obligation in respect of leave encashment is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognised in the statement of profit and loss in the period in which they arise.

12.4. Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under performance related pay if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

13. Income tax

Income tax expense comprises current and deferred tax. Current tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in OCI or equity, in which case it is recognised in OCI or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in OCI or equity, in which case it is recognised in OCI or equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time that the liability to pay the related dividend is recognised.

14. Leases

14.1. Accounting for operating leases- As lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating lease. Payments made under operating leases are recognized as an expense on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

14.2. Accounting for operating leases- As lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

14.3. Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in statement of profit and loss. Impairment losses recognised in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

15. Operating segments

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Group's Management to allocate resources to the segments and assess their performance. The parent company's Board of

Directors is collectively the Group's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate expenses, finance expenses and income tax expenses.

Revenue directly attributable to the segments is considered as segment revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Segment assets comprise property, plant and equipment, intangible assets, trade and other receivables, inventories and other assets that can be directly or reasonably allocated to segments. For the purpose of segment reporting for the year, property, plant and equipment have been allocated to segments based on the extent of usage of assets for operations attributable to the respective segments. Segment assets do not include investments, income tax assets, capital work in progress, capital advances, corporate assets and other current assets that cannot reasonably be allocated to segments.

Segment liabilities include all operating liabilities in respect of a segment and consist principally of trade and other payables, employee benefits and provisions. Segment liabilities do not include equity, income tax liabilities, loans and borrowings and other liabilities and provisions that cannot reasonably be allocated to segments.

16. Dividends

Dividends and interim dividends payable to a Group's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

17. Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

18. Earnings per share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

19. Statement of cash flows

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of cash flows'.

20. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

20.1. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

Subsequent measurement

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

   After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI (Fair Value through OCI)

"A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

c) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

d) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the OCI. However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL (Fair value through profit or loss)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to classify a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity Investments

All equity investments in entities other than associates and joint ventures companies are measured at fair value. The Group decides to classify the equity investments either as at FVTOCI or FVTPL. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement? and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

e) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and bank balance.

f) Trade receivables under Ind AS 18.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

20.2. Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in the case of borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, borrowings and retention money.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

After initial measurement, such financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit and loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/losses are not subsequently transferred to the statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

D. Use of estimates and management judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the consolidated financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is as under:

1. Useful life of property, plant and equipment

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The Group reviews at the end of each reporting date the useful life of property, plant and equipment, and are adjusted prospectively, if appropriate.

2. Recoverable amount of property, plant and equipment

The recoverable amount of plant and equipment is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated with the projects. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

3. Post-employment benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the discount rate. The Group considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

4. Revenues

The Group has recognized revenue at fair value of consideration received or receivable, net of returns, trade discounts and volume rebates. The Group has estimated incremental rate of borrowing to be the discount rate to compute the fair value of future cash inflows.

5. Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

6. Income taxes

Significant estimates are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

2 Property, plant & equipment

As at 31 March 2018

₹ in Lakhs

Particulars	Gross block						Depreciation						Net block	
	As at 01 April 2017	Acquisition through business combination	Additions	Deductions/ adjustments	Foreign exchange translation difference	As at 31 March 2018	Upto 01 April 2017	Acquisition through business combination	For the year	Deductions/ adjustments	Foreign exchange translation difference	Upto 31 March 2018	As at 31 March 2018	As at 31 March 2017
Freehold land	743.64	-	-	-	-	**743.64**	-	-	-	-	-	**-**	**743.64**	743.64
Building	-	4,446.26	-	-	69.38	**4,515.64**	-	1,433.25	5.67	-	22.43	**1,461.35**	**3,054.29**	-
Leasehold Improvements	195.48	-	-	-	-	**195.48**	35.31	-	28.84	-	-	**64.15**	**131.33**	160.17
Project Equipment	65,615.68	2,387.52	36,838.75	-	70.58	**1,04,912.53**	7,028.07	511.71	13,073.06	-	11.72	**20,624.56**	**84,287.97**	58,587.61
Cell Phones	37.46	-	23.66	0.49	-	**60.63**	13.89	-	21.80	0.19	-	**35.50**	**25.13**	23.57
Office Equipment	168.82	-	92.84	-	-	**261.66**	32.51	-	34.97	-	-	**67.48**	**194.18**	136.31
Furniture & Fitting	323.06	1,614.39	26.85	-	25.19	**1,989.49**	58.06	1,210.75	40.27	-	18.98	**1,328.06**	**661.43**	265.00
Computers	294.45	-	109.23	1.04	-	**402.64**	100.85	-	98.75	0.37	-	**199.23**	**203.41**	193.60
Plant & Machinery	-	1,584.00	-	-	24.17	**1,608.17**	-	787.66	10.74	-	12.31	**810.71**	**797.46**	-
E-Vehicles	-	-	956.45	-	-	**956.45**	-	-	12.22	-	-	**12.22**	**944.23**	-
Other motor vehicles	-	287.18	-	-	4.48	**291.66**	-	252.95	3.16	-	3.98	**260.09**	**31.57**	-
Residential Assets	-	-	85.67	1.50	-	**84.17**	-	-	1.13	0.10	-	**1.03**	**83.14**	-
Total	**67,378.59**	**10,319.35**	**38,133.45**	**3.03**	**193.80**	**1,16,022.16**	**7,268.69**	**4,196.32**	**13,330.61**	**0.66**	**69.42**	**24,864.38**	**91,157.78**	**60,109.90**

As at 31 March 2017

₹ in Lakhs

Particulars	Gross block						Depreciation						Net block	
	As at 01 April 2016	Acquisition through business combination	Additions	Deductions/ adjustments	Foreign exchange translation difference	As at 31 March 2017	Upto 01 April 2016	Acquisition through business combination	For the year	Deductions/ adjustments	Foreign exchange translation difference	Upto 31 March 2017	As at 31 March 2017	As at 31 March 2016
Freehold land	-	-	743.64	-	-	743.64	-	-	-	-	-	-	743.64	-
Leasehold Improvements	161.72	-	33.76	-	-	195.48	8.78	-	26.53	-	-	35.31	160.17	152.94
Project Equipment	28,683.16	-	36,932.52	-	-	65,615.68	1,664.12	-	5,363.95	-	-	7,028.07	58,587.61	27,019.04
Cell Phones	11.38	-	26.08	-	-	37.46	3.94	-	9.95	-	-	13.89	23.57	7.44
Office Equipment	63.07	-	105.75	-	-	168.82	9.76	-	22.75	-	-	32.51	136.31	53.31
Furniture & Fitting	289.65	-	33.41	-	-	323.06	27.52	-	30.54	-	-	58.06	265.00	262.13
Computers	142.19	-	152.26	-	-	294.45	36.71	-	64.14	-	-	100.85	193.60	105.48
Total	29,351.17	-	38,027.42	-	-	67,378.59	1,750.83	-	5,517.86	-	-	7,268.69	60,109.90	27,600.34

a) Exchange differences capitalised are disclosed in the 'Addition' column of capital work-in-progress (CWIP) and allocated to various heads of CWIP in the year of capitalisation through 'Deductions/Adjustments' column of CWIP. Exchange differences in respect of assets already capitalised are disclosed in the 'Deductions/Adjustments' column of property, plant and equipment (PPE). Asset-wise details of exchange differences and borrowing costs included in the cost of major heads of PPE and CWIP through 'Addition' or 'Deductions/ Adjustments' column are given below:

₹ in Lakhs

	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Exchange differences included in PPE/CWIP	Borrowing costs included in PPE/CWIP	Exchange differences included in PPE/CWIP	Borrowing costs included in PPE/CWIP
Project Equipment	1,518.42	2,449.16	668.06	635.60
Total	**1,518.42**	**2,449.16**	**668.06**	635.60

b) Refer Note 19 & 24 for information on property, plant and equipment pledged as security by the group.

c) Refer Note 38 for disclosure on assets given under operating leases.

d) Refer Note 39 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Capital's Raisina Hills, Rashtrapati Bhawan, North Block lit up with energy efficient LED lights.

3. Capital work-in-progress

As at 31 March 2018

₹ in Lakhs

Particulars	As at 01 April 2017	Additions	Deductions/ adjustments/capitalised	As at 31 March 2018
Capital work-in progress				
CWIP-SAP	437.11	174.36	611.47	-
CWIP - SL LED Rajasthan	8,082.24	14,481.61	12,736.85	**9,827.00**
CWIP - SL LED Andhra Pradesh	6,936.03	14,502.60	9,521.93	**11,916.70**
Chhattisgarh Project	464.69	7,187.34	1,058.78	**6,593.25**
Kerala LED Street Lighting	492.96	94.67	407.32	**180.31**
Marine Drive Mumbai LED SL	2,797.98	1,736.52	1,839.37	**2,695.13**
CWIP - SL LED Punjab	236.78	2,588.12	0.93	**2,823.97**
CWIP - AgDSM - Maharashtra	13.97	-	13.97	-
CWIP - AgDSM - Rajasthan	16.74	0.08	16.82	-
CWIP - AgDSM - Andhra Pradesh	-	12.50	0.24	**12.26**
Capital Work in Progress - Building J&K	108.15	44.70	49.52	**103.33**
Capital Work in Progress - CGO 12 Building	-	242.06	2.34	**239.72**
CWIP- Building - Delhi	-	14.42	-	**14.42**
CWIP- Building - Gujurat	-	0.22	-	**0.22**
CWIP- Building - Madhya Pradesh	-	3.90	-	**3.90**
CWIP- Building- PAN INDIA	-	267.70	-	**267.70**
CWIP- Building - Uttar Pradesh	-	19.77	-	**19.77**
CWIP- Building - West Bengal	-	16.04	-	**16.04**
CWIP- CPWD BUILDINGS DELHI (Direct Expenses)	4.81	20.66	20.66	**4.81**
CWIP - CPWD - IP Bhawan Delhi	623.58	313.98	314.20	**623.36**
CWIP - Indian Railways	-	46.63	-	**46.63**
CWIP - UPSC - Delhi	4.56	-	-	**4.56**
CWIP BEEP AP	-	31.69	-	**31.69**
CWIP - Building Bond Interest	-	13.72	-	**13.72**
CWIP- CPWD CGO Building, New Delhi	-	19.89	-	**19.89**
CWIP-CPWD CGO Complex Faridabad	-	7.97	-	**7.97**
CWIP - CPWD CGO/GPO / Training Center Bhawan Ghaziabad (Direct Expenses)	-	24.48	2.24	**22.24**
CWIP- Puducherry LED Street Lighting	-	2.12	0.51	**1.61**
South Delhi LED Street Light	2,861.77	6,200.64	466.20	**8,596.21**
CWIP - SL LED - GHMC	52.68	11,927.06	102.84	**11,876.90**
CPWD - IP Bhawan DELHI	89.21	25.57	2.42	**112.36**
CWIP- CPWD Jaipur (Direct Expenses)	-	18.94	-	**18.94**
CWIP-CPWD Trikoot I & II Bhawan New Delhi (Direct Expenses)	-	0.32	-	**0.32**
CWIP- DMRC Rajeev Chowk (Direct Expenses)	53.22	45.61	53.22	**45.61**
CWIP- DMRC Rajeev Chowk (Indirect Expenses)	2.25	9.71	-	**11.96**
CWIP Maharashtra Sadan (Direct Expenses)	-	13.09	-	**13.09**
CWIP- Niti Aayog CPWD Ph-II Building (Direct Expenses)	26.89	70.17	2.50	**94.56**
CWIP E Vehicle Project	-	151.19	-	**151.19**
Goa Street Light Project	3,792.90	9,729.80	3,121.79	**10,400.91**

3. Capital work-in-progress (Continued)

As at 31 March 2018

₹ in Lakhs

Particulars	As at 01 April 2017	Additions	Deductions/ adjustments/capitalised	As at 31 March 2018
CWIP - SL LED Gujarat	3,820.71	18,607.07	13,621.58	**8,806.20**
Guwahati Street Lighting	437.38	189.73	235.97	**391.14**
H.P LED Street Light	915.19	1,566.23	2,242.94	**238.48**
CWIP - SL LED - Agartala MC	-	32.94	13.55	**19.39**
CWIP - SL LED - Jharkhand	688.87	4,188.55	1,704.39	**3,173.03**
CWIP - SL LED -Andman & Nicobar	-	49.39	-	**49.39**
CWIP - SL LED J&K	40.16	111.17	2.56	**148.77**
CWIP - SL LED Telangana	302.58	13,303.64	6,806.23	**6,799.99**
CWIP SL LED Bihar	-	2,094.00	4.82	**2,089.18**
CWIP SL LED Chandigarh	-	88.85	-	**88.85**
Varanasi LED Street Lighting	2,846.53	23,336.64	897.39	**25,285.78**
CWIP SL LED Haryana	-	348.61	-	**348.61**
CWIP - SL LED - Karnataka	-	29.72	-	**29.72**
CWIP - SL LED - Madhya Pradesh	-	456.66	5.02	**451.64**
CWIP - SL LED - Odisha	-	1,422.71	1.29	**1,421.42**
CWIP - SL LED - PortBlair	-	343.52	4.38	**339.14**
CWIP SL LED Sikkim	-	0.49	-	**0.49**
CWIP SL LED Tamilnadu	-	87.83	-	**87.83**
CWIP - SL LED -Tripura	-	18.09	-	**18.09**
CWIP SL LED Uttarakhand	-	992.19	-	**992.19**
CWIP - SL LED -West Bengal	-	431.37	-	**431.37**
CWIP - West Bengal	-	0.68	-	**0.68**
CWIP – SL LED Tripura	-	67.27	-	**67.27**
CWIP - Jaipur Property	334.56	89.22	-	**423.78**
CWIP - Kolkata Property	55.29	88.89	-	**144.18**
CWIP - Trade Mark	0.77	-	-	**0.77**
CWIP -Kolkata	-	12.07	-	**12.07**
CWIP- GHMC (Hyderabad)	-	1,562.71	-	**1,562.71**
CWIP- Andhra Pradesh (Hyderabad)	-	890.50	-	**890.50**
CWIP- SL- Maharashtra (Mumbai)	24.49	188.28	2.29	**210.48**
CWIP Smart Meter	-	1,937.95	-	**1,937.95**
CWIP Software	-	1,218.68	1,211.13	**7.55**
CWIP Solar Rooftop Delhi	-	9.04	-	**9.04**
CWIP (UJALA stock to BEEP)	-	3,636.67	5.30	**3,631.37**
Capital Work in Progress	-	1.57	-	**1.57**
Capital Work in Progress-(DELP Hyderabad)-Indirect	-	0.54	-	**0.54**
CWIP - Delhi Property (NBCC - Nauroji Nagar)	-	1,103.72	-	**1,103.72**
CWIP unallocated Expenses	-	690.94	100.04	**590.90**
CWIP- Interest on Bond (unallocated) *	53.32	849.10	171.54	**730.88**
Total	**36,618.37**	**1,50,107.08**	**57,376.54**	**1,29,348.91**

3. Capital work-in-progress (Continued)

As at 31 March 2017

₹ in Lakhs

Particulars	As at 01 April 2016	Additions	Deductions/ adjustments/capitalised	As at 31 March 2017
Capital work-in progress				
CWIP-SAP	-	437.11	-	437.11
Bihar Sharif Street Light	4.02	15.09	19.11	-
Dharamshala Street Light H.P	-	-	-	-
CWIP - SL LED Rajasthan	4,319.39	23,942.68	20,179.83	8,082.24
CWIP - SL LED Andhra Pradesh	1,806.95	17,565.03	12,435.95	6,936.03
Chhattisgarh Project	11.40	456.23	2.94	464.69
Kerala LED Street Lighting	35.54	464.06	6.64	492.96
Marine Drive Mumbai LED SL	246.24	3,036.80	485.06	2,797.98
CWIP - SL LED Punjab	-	236.78	-	236.78
CWIP - AgDSM - Andhra Pradesh	22.83	908.34	931.17	-
CWIP - AgDSM - Karnataka	-	1.95	1.95	-
CWIP - AgDSM - Maharashtra	-	13.97	-	13.97
CWIP-AgDSM-Rajasthan	-	16.74	-	16.74
Capital Work in Progress - Building J&K	-	108.32	0.17	108.15
CWIP- CPWD BUILDINGS DELHI (Direct Expenses)	-	4.81	-	4.81
CWIP - CPWD - IP Bhawan Delhi	-	623.58	-	623.58
CWIP - UPSC - Delhi	-	4.56	-	4.56
GVMC Street Lighting	-	-	-	-
South Delhi LED Street Light	6,561.72	9,178.19	12,878.14	2,861.77
CWIP - SL LED - Dibrugarh	-	-	-	-
CWIP - SL LED - GHMC	-	52.68	-	52.68
CPWD - IP Bhawan DELHI	217.99	2.42	131.20	89.21
CWIP- DMRC Rajeev Chowk (Direct Expenses)	-	53.22	-	53.22
CWIP- DMRC Rajeev Chowk (Indirect Expenses)	-	2.25	-	2.25
CWIP- Niti Aayog CPWD Ph-II Building (Direct Expenses)	-	26.89	-	26.89
Goa Street Light Project	0.23	3,836.46	43.79	3,792.90
CWIP - SL LED Gujarat	-	3,820.71	-	3,820.71
Guwahati Street Lighting	6.89	437.10	6.61	437.38
H.P LED Street Light	2.46	1,853.38	940.65	915.19
CWIP - SL LED - Jharkhand	-	688.87	-	688.87
CWIP - SL LED J&K	-	40.16	-	40.16
CWIP - SL LED Telangana	-	302.58	-	302.58
Lucknow LED Street Lighting	-	-	-	-
MES DELHI Cantt. LED Street Lighting	-	-	-	-
Shimla LED Street Light	-	-	-	-
Varanasi LED Street Lighting	1,038.69	2,083.52	275.68	2,846.53
Medak Agdsm telangana	10.06	0.03	10.09	-
CWIP - Jaipur Property	-	334.56	-	334.56
CWIP - Kolkata Property	-	55.29	-	55.29
CWIP - Trade Mark	-	0.77	-	0.77
CWIP- SL GOA (Mumbai)	-	-	-	-
CWIP- SL- Gujrat (Mumbai)	-	-	-	-
CWIP- SL- Maharashtra (Mumbai)	-	24.49	-	24.49
CWIP- Interest on Bond (unallocated) *	-	53.32	-	53.32
Total	**14,284.41**	**70,682.94**	**48,348.98**	36,618.37

* * The borrowing cost proportionate to the unutilised amount of borrowings are being kept for utilization for acquisition or construction of qualifying assets being carried forward for capitalization in the subsequent year of utilization. However, income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalisation, as stated in Note No. C.5 of accounting policies i.r.t. 'Borrowing Costs'.

4 Intangible assets

As at 31 March 2018

₹ in Lakhs

Particulars	Gross block						Amortisation						Net block	
	As at 01 April 2017	Additions	Acquisition through business combination	Deductions/ adjustments	Foreign exchange translation difference	As at 31 March 2018	Upto 01 April 2017	Acquisition through business combination	For the year	Deductions/ adjustments	Foreign exchange translation difference	Upto 31 March 2018	As at 31 March 2018	As at 31 March 2017
Software	101.22	1,533.42	76.11	-	1.73	**1,712.48**	28.44	16.59	30.58	-	0.39	**76.00**	**1,636.48**	72.78
Goodwill	-	-	43,192.36	-	970.98	**44,163.34**	-	-	-	-	-	**-**	**44,163.34**	-
Total	101.22	1,533.42	43,268.47	-	972.71	**45,875.82**	28.44	16.59	30.58	-	0.39	**76.00**	**45,799.82**	72.78

As at 31 March 2017

₹ in Lakhs

Particulars	Gross block						Amortisation						Net block	
	As at 01 April 2017	Additions	Acquisition through business combination	Deductions/ adjustments	Foreign exchange translation difference	As at 31 March 2018	Upto 01 April 2017	Acquisition through business combination	For the year	Deductions/ adjustments	Foreign exchange translation difference	Upto 31 March 2018	As at 31 March 2018	As at 31 March 2017
Software	36.62	64.60	-	-	-	**101.22**	2.73	-	25.71	-	-	**28.44**	**72.78**	33.89
Goodwill	-	-	-	-	-	**-**	-	-	-	-	-	**-**	**-**	-
Total	36.62	64.60	-	-	-	**101.22**	2.73	-	25.71	-	-	**28.44**	**72.78**	33.89

5 Non-current assets - Investments accounted for using equity method

₹ in Lakhs

Particulars	Number of shares Current year/ (previous year)	Face value per share Current year/ (previous year)	As at 31 March 2018	As at 31 March 2017
Equity instruments - Unquoted (fully paid up)				
Joint venture companies				
EESL EnergyPro Assets Private Limited	- (2,30,680)	- (£1)	-	180.63
NEESL Private Limited	2,600 (-)	₹ 10 (-)	**2.91**	-
Total			**2.91**	**180.63**
Aggregate amount of unquoted investments			**2.91**	180.63
Investments have been valued as per accounting policy no. C.1.2 (Note 1).				

6 Investments

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Unquoted investments		
Investments at Fair Value Through Profit and Loss (FVTPL):		
Investment in Maple Leaf	**1,440.51**	-
Total	**1,440.51**	-
Aggregate amount of quoted investments and market value thereof	**-**	-
Aggregate amount of unquoted investments	**1,440.51**	-
Aggregate amount of impairment in value of investments	**-**	-
Information about fair value measurement and group's exposure to market risks is disclosed in note 40 and note 41.		

7 Non-current financial assets - Loans

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Unsecured, considered good		
Loan to EnergyPro Asset Management Ltd (EPAM)* (Including interest accrued)	**5,009.66**	-
Loans to employees (Including interest accrued)	**101.77**	41.61
Security deposits	**364.16**	85.98
Total	**5,475.59**	127.59
*Refer note 44 for related party disclosure.		

8 Other non-current financial assets

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Unbilled revenue	**2,317.59**	5,301.33
Deposits with banks under lien*	**1,496.90**	4,814.74
Total	**3,814.49**	10,116.07
* Deposits with banks under lien includes		
National Westminster Bank, UK- Security to cash collateralise the bonds	**811.78**	-
Chubbs, UK- Security to cash collateralise the bonds	**405.83**	-
Bank of Baroda, UK- Debt service reserve account mandatorily required under loan facility agreement	**249.15**	-
Westpac Banking Corporation, UK- security towards credit cards	**25.52**	-
ICICI Bank Limited, India- Against Standby letter of credit issued by latter to ICICI Bank UK Plc with respect to term loan facility availed by EESL EnergyPro Assets Limited	**-**	4,800.00
FDs for CST & VAT	**4.62**	14.74
	1,496.90	4,814.74

9 Other non-current assets

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Capital advances	**1,576.38**	557.02
Advances other than capital advances		
Security deposits	**27.70**	12.33
Deferred rent	**79.48**	25.27
Prepaid Expenditure	**19.81**	-
Total	**1,703.37**	594.62

10 Inventories

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Stock in trade (including goods in transit: ₹ 93.72 Lakhs (31 March 2017: ₹ 1,142.58 Lakhs))	**39,893.21**	15,464.97
Work in progress	**1,403.31**	-
Raw materials	**1.37**	-
Total	**41,297.89**	15,464.97

a) Inventory items have been valued as per accounting policy no. C.6.

b) Goods-in-transit have been valued at cost.

c) The cost of inventories recognised as expense during the year was ₹ 92,066.27 lakhs (including ₹ 47.14 lakhs as Business promotion) (Previous year Figures: ₹ 82,559.59 lakhs (including ₹ 71.84 lakhs as Business Promotion))

d) Loans are secured on first pari-passu charge on stock and book debts. (Refer Note 19 and 24)

11 Trade receivables

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Unsecured, considered good	**1,29,847.96**	80,140.76
Considered doubtful	**196.64**	-
	1,30,044.60	80,140.76
Less: Allowance for doubtful receivables	**196.64**	-
Total	**1,29,847.96**	80,140.76

a) Refer Note 41 for details with respect to credit risk.

b) Amounts receivables from related parties are disclosed in Note 44.

c) Trade receivables are subject to confirmations, reconciliation and consequential adjustments that may arise on reconciliation.

d) Loans are secured on first pari-passu charge on stock and book debts. (Refer Note 19 and 24).

12 Cash and cash equivalents

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Balances with banks		
Current accounts	**55,839.59**	26,459.04
Deposit accounts	**6.39**	-
Cash on hand-Imprest	**32.21**	8.04
Total	**55,878.19**	26,467.08

12A Bank balances other than cash and cash equivalents

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Deposits with original maturity of more than three months and maturing within one year (including interest accrued) *	**6,857.92**	5,767.04
Total	**6,857.92**	5,767.04

* Deposits with banks under lien includes deposit with Investec Bank amounting to ₹ 1,420.70 Lakhs (31 March 2017: ₹ Nil) as security to cash collateralise the bonds, FD with ICICI Bank Limited, India against Standby letter of credit issued by latter to ICICI Bank UK Plc with respect to term loan facility availed by EESL Energy Pro Assets Limited amounting to ₹ 5,418.19 Lakhs (31 March 2017: ₹ Nil) and FDs for CST & VAT amounting to ₹ 19.03 Lakhs (31 March 2017: ₹ 4.47 Lakhs).

13 Current loans

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Loans to employees (including interest accrued)		
Unsecured, considered good	**81.14**	32.07
Security deposits (Unsecured, considered good)	**85.19**	34.29
Total	**166.33**	66.36

14 Other current financial assets

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Project advances	**729.78**	542.73
Unbilled revenue	**4,965.96**	6,742.83
Others *	**655.91**	765.09
Total	**6,351.65**	8,050.65

* Other includes expenses incurred on behalf of third parties which are recoverable.

15 Current tax assets (Net)

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Advance tax	**1,298.48**	-
Self assessment refund	**591.48**	608.51
Tax on regular assessment	**-**	14.23
TCS recoverable	**11.04**	-
TDS recoverable	**644.68**	-
Fringe benefit tax	**3.24**	-
Total	**2,548.92**	622.74

16 Other current assets

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Receivable from statutory authorities *	**18,131.99**	4,427.53
Prepaid Expenditure**	**5,501.00**	5,115.03
Deferred rent	**39.33**	8.92
Others ***	**1,192.58**	3,695.87
Total	**24,864.90**	13,247.35

(a) * Receivable from statutory authorities include amount of ₹ 3,844.28 Lakhs (31 March 2017: ₹ 3,715.19 Lakhs) paid under protest to sales tax authorities.

(b) *The sales, corresponding output tax liability and purchases along with the corresponding input tax credit reported in GST and VAT returns, the net input tax credit receivable or the net output tax liability payable as the case may be are subject to reconciliation with the books of accounts. Differences which will be identified on reconciliation of GST/ VAT returns will be addressed in annual GST/ VAT statements/ revised returns to be filed in due course.

(c) **Expenses incurred on advertisement / awareness on DELP / UJALA programme in a State is charged to Statement of profit and loss in proportionate to LED bulbs distributed in current year vis-a-vis the total targeted LED bulbs distribution for that respective State at the beginning of year and balance amount is carried forward for charging to statement of profit and loss in subsequent years. Similarly expenses incurred on National Media Campaigning for DELP / UJALA programme is charged to statement of profit & loss in proportionate to the total LED bulbs distributed in current financial year vis-a-vis the overall targeted LED bulbs distribution under DELP/ UJALA programme at the beginning of the year and balance amount is carried forward for charging to statement of profit and loss in subsequent years. Accordingly, out of total expenditure ₹5,923.02 Lakhs (₹5,045.15 Lakhs balance brought forward from previous year 2016-17 and ₹877.87 Lakhs expenditure during the current year) incurred on advertisement till the year 2017-18, ₹4,907.40 Lakhs has been deferred as prepaid expenditure under the head, "Other Current Assets"

*** Others include advances given to vendors and to employees.

17 Share capital

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Equity share capital		
Authorised		
150,00,00,000 shares of par value ₹10/- each (50,00,00,000 shares of par value ₹ 10/- each as at 31 March 2017)	1,50,000.00	50,000.00
Issued, subscribed and fully paid up		
46,20,00,000 shares of par value ₹10/- each (46,20,00,000 shares of par value ₹ 10/- each as at 31 March 2017)	46,200.00	46,200.00

a) **Movements in equity share capital:**

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	46,20,00,000	46,200	16,50,00,000	16,500
Add: Shares issued during the year	-	-	29,70,00,000	29,700
Outstanding at the end of the year	**46,20,00,000**	**46,200**	**46,20,00,000**	**46,200**

b) **Terms and rights attached to equity shares:**

The parent company has only one class of equity shares having a par value ₹ 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

c) **Dividends:**

	Paid during the year ended	
	31 March 2018	31 March 2017
(i) Equity shares		
Final dividend for the year ended 31 March 2017 of ₹ 0.60/- (31 March 2016: ₹ 0.65/-) per fully paid share	**2,776.27**	1,067.72
Interim dividend for the year ended 31 March 2018 of ₹ 0.28/- (31 March 2017: Nil) per fully paid share	**1,298.40**	-
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ Nil (31 March 2017: ₹ 0.60/-) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. (Dividend of FY 2016-17 ₹ 0.60/- per share declared on AGM held dated 29th September, 2017 and paid on 5th October, 2017)	**-**	2,776.27

d) **Details of shareholders holding more than 5% shares in the Parent Company:**

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	%age holding	No. of shares	%age holding
NTPC Limited	**14,65,00,000**	**31.71**	14,65,00,000	31.71
Rural Electrification Corporation Limited	**14,65,00,000**	**31.71**	14,65,00,000	31.71
Power Finance Corporation Limited	**14,65,00,000**	**31.71**	14,65,00,000	31.71

18 Other equity

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Share application money pending allotment	**9,900.00**	-
Debenture redemption reserve	**6,515.21**	1,452.99
Retained earnings	**1,331.83**	7,874.86
Foreign currency translation reserve	**375.41**	(2.47)
Total	**18,122.45**	9,325.38

(a) **Debenture redemption reserve**

Particulars	ended 31 March 2018	For the year ended 31 March 2017
Opening balance	1,452.99	-
Add: Transfer from retained earnings	5,062.22	1,452.99
Closing balance	**6,515.21**	1,452.99

The Group is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

(b) Retained earnings

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening balance	**7,874.86**	5,463.01
Add: Profit for the year as per statement of profit and loss	**3,468.89**	5,179.70
Add: Transferred from foreign currency translation reserve	**(12.61)**	-
Less: Dividend paid	**4,074.69**	1,067.72
Tax on dividend paid	**829.54**	223.37
Transfer to debenture redemption reserve	**5,062.22**	1,452.99
Transaction cost arising on issue of equity shares, net of tax	**25.01**	19.42
	1,339.68	7,879.21
Items of other comprehensive income recognised directly in retained earnings:		
Remeasurements of post-employment benefit obligation, net of tax	**(7.85)**	(4.35)
Closing balance	**1,331.83**	7,874.86

(c) Foreign currency translation reserve

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening balance	**(2.47)**	-
Add: Currency translation adjustments	**365.27**	(2.47)
Less: Transferred to retained earnings	**(12.61)**	-
Closing balance	**375.41**	(2.47)

19 Non-current borrowings

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Term loan from banks		
Secured		
(i) Investec Term Loan A- Secured by way of charge over EPAL's investment in equity shares of EPAL Holdings Limited. (ROI: 3 months LIBOR plus 400 bps repayable quarterly in 2 installments of GBP 2,218,750 each and 15 instalments of GBP 887,500 each starting from 28.12.2018)	**15,815.46**	-
(ii) Investec Term Loan B- Secured by way of charge over EPAL's investment in equity shares of EPAL Holdings Limited. (ROI: 3 months LIBOR plus 450 bps repayable as bullet payment of GBP 8.25 Millions on 14.03.2024)	**7,349.48**	-
(iii) National Westminster Bank PLC- Secured by way of fixed and floating charge over all property and assets, present and future, including deposits of Edina UK Limited (ROI: 2.29% repayable as 31 equated monthly installments of GBP 9850 each and balance as bullet payment on 24.11.2020)	**1,248.18**	-
Unsecured		
(i) Bank of Baroda, UK (ROI: 3 months LIBOR plus 280 bps repayable as bullet payment of GBP 12 Millions on 13.03.2023)	**10,930.03**	-
Term loan from other than banks		
Unsecured		
(i) KFW Loan -Guaranteed by Govt of India (1.96% p.a. Loan repayable in half yearly basis starting from 30.06.2018 in 14 instalments of Euro 2,941,000 each and 3 instalments of Euro 2,942,000 each)	**38,938.98**	30,193.76

19 Non-current borrowings (Continued)

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
(ii) AFD Loan -Guaranteed by Govt of India (1.87% p.a. for Euro 3,719,016 and 2.20% for Euro 1,205,674. Loan repayable in half yearly basis starting from 30.10.2020 in 20 equal instalments of Euro 2,500,000 each)	**3,997.83**	2,595.53
(iii) ADB Loan -Guaranteed by Govt of India (2.78% p.a. (Method: 6 month LIBOR+0.6 Basis point +/- rebate/surcharge, if any) Loan repayable in half yearly basis starting from 15.03.2022 in 30 equal instalments of USD 6,666,667 each)	**9,768.69**	-
(iv) 7.80% Debentures (Domestic bonds) (7.80% p.a. Unsecured non-cumulative non-convertible redeemable taxable bonds repayable as Bullet payment in the month of July 2022 amounting Rs.450 cr (Second Issue - Private Placement))	**47,471.42**	-
(v) 8.15% Debentures (Domestic bonds) (8.15% p.a. Unsecured non-cumulative non-convertible redeemable taxable bonds repayable as Bullet payment in the month of Feb 2021 amounting Rs.200 cr (Third Issue - Private Placement))	**20,361.72**	-
(vi) 8.29% Debentures (Domestic bonds) (8.29 % p.a. Unsecured non-cumulative non-convertible redeemable taxable bonds repayable as Bullet payment in the month of May 2021 amounting Rs.125 cr (Fourth Issue - Private Placement))	**12,676.02**	-
Secured		
(i) 8.07% Debentures (Domestic bonds)- Secured by pari passu charge on the movable fixed assets both present and future (8.07% p.a. Secured non-cumulative non-convertible redeemable taxable bonds with three unequal separately transferable redeemable principal parts (STRPP) of Rs.125.00 cr, Rs.125.00 cr and Rs.250.00 Cr redeemable at par on 20/03/2020, 20/09/2021 and 20/09/2023, respectively (First Issue - Private Placement))	**52,133.59**	52,133.57
(ii) PTC India Financial Services Limited (PFS) Loan - Secured by first pari-passu charge by way of hypothecation of parent company's entire stock incl. book debts, bills, outstanding monies, receivables, both present and future (ROI varying between 10.25% p.a. to 10.50% p.a. (linked to the PFS Reference Rate) repayable in 4 equated quarterly instalments starting from 01.04.2017)	**-**	10,000.00
	2,20,691.40	94,922.86
Less : Current Maturities of non-current borrowings	**8,735.24**	10,000.00
Less: Interest accrued on non-current borrowings	**5,441.21**	2,299.00
Total	**2,06,514.95**	82,623.86

There has been no default in repayment of the loans/ interest thereon as at the end of the year.

20 Other non current financial liabilities

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Retention money	**8,019.85**	5,194.96
Total	**8,019.85**	5,194.96

21 Non current provisions

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits		
Gratuity	**140.88**	61.30
Leave encashment	**269.51**	161.86
Total	**410.39**	223.16

Disclosure as per Ind AS 19 on 'Employee Benefits' is made in Note 37.

22 Deferred tax liabilities (net)

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Deferred tax liability				
Revenue measured at fair value		-	**2,322.67**	4,197.70
Financial assets and liabilities measured at amortised cost		-	**1,181.23**	709.47
Financial asset measured at FVTPL	8.43	-	**-**	-
Less: Deferred tax assets				
Difference in book depreciation and tax depreciation	(26.25)	-	**2,661.95**	4,576.69
Expenses disallowed	204.23	-	**96.96**	-
Leave encashment		-	**98.38**	59.55
Provisions for bonus		-	**55.68**	21.42
Provisions for gratuity		-	**0.88**	0.88
Allowance for doubtful receivables		-	**68.05**	-
Operating lease liabilities		-	**25.95**	15.90
Revenue measured at fair value		-	**37.47**	211.78
Financial assets and liabilities measured at amortised cost	(30.93)	-	**(114.52)**	12.58
Tax losses carried forward	218.17	-	**223.12**	-
Deferred tax liability / (asset)	(356.79)	-	**349.98**	8.37

a) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

Movement in deferred tax balances

31 March 2018

₹ in Lakhs

Particulars	Net balance 1 April 2017	Acquired in business combination	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2018
Revenue measured at fair value	4,197.70	-	(1,875.03)	-	2,322.67
Financial assets and liabilities measured at amortised cost	709.47	-	471.76	-	1,181.23
Financial asset measured at FVTPL	-	6.96	1.29	0.18	8.43
Less:					
Difference in book depreciation and tax depreciation	4,576.69	(140.89)	(1,794.92)	(5.18)	2,635.70
Expenses disallowed	-	199.73	95.92	5.54	301.19
Leave encashment	59.55	-	38.83	-	98.38
Provisions for gratuity	21.42	-	30.11	4.15	55.68
Provisions for bonus	0.88	-	-	-	0.88
Allowance for doubtful receivables	-	-	68.05	-	68.05
Operating lease liabilities	15.90	-	10.05	-	25.95
Revenue measured at fair value	211.78	(22.76)	(151.04)	(0.51)	37.47
Financial assets and liabilities measured at amortised cost	12.58	(30.86)	(124.87)	(2.30)	(145.45)
Tax losses carried forward	-	170.60	264.08	6.61	441.29
Tax assets/(liabilities)	**8.37**	**(168.86)**	**161.82**	**(8.13)**	**(6.81)**

31 March 2017 ₹ in Lakhs

Particulars	Net balance 1 April 2016	Acquired in business combination	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2017
Revenue measured at fair value	6,204.68	-	(2,006.98)	-	4,197.70
Financial assets and liabilities measured at amortised cost	524.35	-	185.12	-	709.47
Less:					
Difference in book depreciation and tax depreciation	6,448.28	-	(1,871.59)	-	4,576.69
Leave encashment	23.84	-	35.71	-	59.55
Provisions for gratuity	9.42	-	9.70	2.30	21.42
Provisions for bonus	0.88	-	-	-	0.88
Operating lease liabilities	10.17	-	5.73	-	15.90
Revenue measured at fair value	-	-	211.78	-	211.78
Financial assets and liabilities measured at amortised cost	10.00	-	2.58	-	12.58
Others	90.51	-	(90.51)	-	-
Tax assets/(liabilities)	**135.93**	**-**	**(125.26)**	**(2.30)**	**8.37**

23 Other non-current liabilities

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Operating lease liabilities	**74.77**	43.95
Deferred income on account of government grants	**568.42**	-
Total	**643.19**	43.95

a) Deferred income on account of government grants have been accounted in line with Accounting policy no. C.8.

b) Government grant of USD 2,000,000 has been granted by International Bank for Reconstruction and Development ("World Bank") acting as an implementation agency of the Global Environment Facility ("GEF") for implemention of SAP capitalized as intangibe asset

24 Current borrowings

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Loans from banks		
Secured		
(i) ICICI Bank - Secured by first pari passu charge on the stock and receivables both present and future (ROI: 8.20%p.a. (linked to 1 year MCLR) repayable as bullet payment of the respective tranche starting from September 2018 to December 2018 in the range of ₹ 2,000.00 Lakhs to ₹ 8,000.00 Lakhs)	**15,000.00**	18,000.00
(ii) HDFC - Secured by first pari passu charge on the stock and debtors both present and future (ROI varying between 7.85% p.a. (linked to 3 months MCLR) to 8.15% p.a. (linked to 1 year MCLR) depending on the date of disbursement of the respective tranches repayable as bullet payment of the respective tranche starting from June 2018 to February 2019 in the range of ₹ 1,000.00 Lakhs to ₹ 5,000.00 Lakhs)	**11,000.00**	4,000.00
(iv) SBI - Secured by first pari passu charge on the stock and receivables both present and future (ROI: 7.85% p.a. (linked to 3 months MCLR) repayable as bullet payment in the month of March 2019 in the range of ₹ 5,000.00 Lakhs to ₹23,500.00 Lakhs)	**28,525.59**	13,000.00
Unsecured		
(i) IndusInd Bank (ROI: 8.30% p.a. (linked to 3 months MIBOR + 82 bps) repayable as bullet payment in the month of June 2018 amounting ₹ 5,000.00 Lakhs)	**5,001.14**	-
(ii) CTBC Bank (ROI: 7.99% p.a. (linked to 3 months MIBOR + 75 bps) repayable as bullet payment in the month of February 2019 amounting ₹ 4,000.00 Lakhs)	**4,000.88**	-
(iii) ICICI Bank UK Plc (ROI: 6 month LIBOR plus 135 bps repayable as bullet payment in the month of March 2019 amounting to GBP 5.50 Millions)	**5,075.52**	-

24 Current borrowings (Continued)

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
(iv) Investec Bank, UK (ROI: 2 month LIBOR plus 350 bps repaid as bullet payment in the month of June 2018 amounting to GBP 3 Millions)	**2,774.14**	-
Total	**71,377.27**	35,000.00
Less: Interest accrued on current borrowings	**33.21**	-
	71,344.06	35,000.00

25 Trade payables

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
For goods and services	**1,51,612.76**	45,869.52

a) There are no outstanding dues to micro and small enterprises. There are no interests due or outstanding on the same.

b) Amounts payable to related parties are disclosed in Note 44.

c) Trade payable are subject to confirmations, reconciliation and consequential adjustments that may arise on reconciliation.

d) Some trade payables had reserved title to goods supplied to the Group. Since the extent to which such trade payables are effectively secured depends on a number of factors and conditions, some of which are not readily determinable, it is not possible to indicate how much of the above amount is secured under reservation of title.

26 Other current financial liabilities

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Current maturities of non-current borrowings		
From banks	**4,176.47**	-
From others		
Foreign currency loans	**4,558.77**	-
Rupee term loans	**-**	10,000.00
	8,735.24	10,000.00
Interest accrued on borrowings	**5,474.42**	2,299.00
Liabilities for expenses	**2,195.85**	77.12
Retention money	**13,703.52**	4,084.26
Earnest money deposit	**700.16**	691.17
Security Deposit	**72.85**	-
Payable to employees	**5.11**	57.63
Commitment fee payable	**48.13**	3.36
Axis credit card	**(2.00)**	2.10
Tax on dividend payable	**264.35**	-
Total	**31,197.63**	17,214.64

Details in respect of rate of interest and terms of repayment of current maturities of secured long term borrowings indicated above are disclosed in Note 19.

27 Other current liabilities

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Statutory dues**	**6,578.13**	4,978.37
Liquidated damages	**314.64**	0.67
Advance received against project	**5.87**	10,473.86
Unearned income	**40.52**	153.06
Operating lease liabilities	**0.19**	1.99
Deferred income on account of government grants*	**67.21**	-
Total	**7,006.56**	15,607.95

*Refer Note 23.

** The sales, corresponding output tax liability and purchases along with the corresponding input tax credit reported in GST and VAT returns, the net input tax credit receivable or the net output tax liability payable as the case may be are subject to reconciliation with the books of accounts. Differences which will be identified on reconciliation of GST/ VAT returns will be addressed in annual GST/ VAT statements/ revised returns to be filed in due course.

28 Current provisions

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits		
Gratuity	**1.39**	0.62
Leave encashment	**14.77**	10.20
Pay revision	**550.00**	-
Total	**566.16**	10.82

a) Disclosures required by Ind AS 19 'Employee Benefits' is made in Note 37.

b) The pay revision of the employees of the parent company is due w.e.f. 1st January, 2017. The Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Government of India vide Office Memorandums No. W-02/0028/2017-DPE(WC)-GL-XIII/17 dated 3rd August, 2017 has revised scales of pay in respect of Board level and below Board level executives and Non-unionised Supervisors of Central Public Sector Enterprises w.e.f. 1.1.2017.

Since the pay scales of regular employees in EESL have been formulated in accordance with NTPC pay scales of the regular employees, in terms of the guidelines issued by the Department of Public Enterprises applicable to NTPC, a provision of ₹550 Lakhs (31 March 2017: ₹ Nil) has been made on an estimated basis in respect of regular employees w.e.f. 1st January, 2017 on account of pay revision.

29 Revenue from operations

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of goods	**1,10,114.73**	1,02,248.73
Sale of services	**32,521.57**	12,837.30
Rent received	**146.16**	-
Total	**1,42,782.46**	1,15,086.03

30 Other income

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Tender document fees	**59.37**	59.75
E- Tendering registration fee	**15.49**	14.67
Interest income on loans to employees	**3.49**	2.00
Interest income on security deposits measured at amortised cost	**14.50**	8.38
Interest income on revenue measured at fair value	**2,166.34**	2,885.82
Interest income from customers	**-**	1,111.61
Interest income from deposits with banks	**1,233.99**	1,440.11
Interest income from others	**1,436.57**	53.38
Net gain on foreign currency transactions and translation	**-**	1,974.18
Gain on investments mandatorily measured at fair value through profit or loss (FVTPL)	**6.81**	-
Grant income	**0.20**	-
Miscellaneous income	**585.59**	82.47
Total	**5,522.35**	7,632.37

31 (Increase)/ Decrease in inventories

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening stock	**15,475.14**	17,950.57
Closing stock	**(30,003.74)**	(15,464.97)
Total	**(14,528.60)**	2,485.60

32 Employee benefits expense

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries and wages	**3,913.15**	1,765.38
Leave encashment	**148.31**	40.89
Contribution to provident and other funds	**230.83**	128.09
Staff welfare expenses	**227.97**	156.30
Total	**4,520.26**	2,090.66

a) Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 37.

b) The pay revision of the employees of the parent company is due w.e.f 1 January 2017. The required provision towards revision of pay scales has been recognised during the year. Refer Note 28.

33 Finance costs

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Finance charges on financial liabilities measured at amortised cost		
Loans	**5,054.68**	3,681.33
Debentures	**4,595.01**	1,497.96
Unwinding of discount on retention money	**604.38**	389.66
Others	**176.30**	199.14
Net loss on foreign currency transactions and translation	**2,687.04**	-
Other borrowing costs		
Commitment Fees (KFW Loan)	**11.05**	23.19
Guarantee Fee	**395.51**	364.81
Total	**13,523.97**	6,156.09

34 Other expenses

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Annual maintenance charges (projects)	**2,042.59**	601.06
Legal fees & professional charges	**1,314.10**	272.93
Conveyance expenses	**150.24**	90.14
Communication expenses	**211.12**	22.42
Recruitment expenses	**303.47**	36.66
Repair and maintenance expenses		
- Building maintenance	**88.36**	23.36
- Computer maintenance	**6.73**	6.00
- House maintenance	**0.94**	0.60
Internal audit fees	**3.00**	2.26
Advertisement and publicity expenses	**267.80**	457.08
Printing and stationery expenses	**80.60**	56.39
Books and periodicals	**-**	2.53
Meeting expense/ Hospitality expenses	**1.66**	75.97
Tour and traveling expenses	**337.74**	508.95
Rent	**934.00**	438.93
Electricity expenses	**73.29**	48.52
Payment to auditors	**41.92**	18.08
Bank charges	**153.75**	77.10
Sponsorship expenses	**3.00**	1.25
Manpower expenses	**573.71**	347.54

34 Other expenses (Continued)

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Subscription fees	**3.30**	-
Insurance charges	**59.56**	30.75
Deferred rent expenses	**29.03**	16.56
Testing expenses	**22.36**	39.24
Business promotion	**770.74**	581.64
Rate and taxes	**617.31**	430.04
Awareness creation, training & outreach activities	**6.12**	37.71
Diwali gift expenses	**25.26**	58.20
Annual day celebration expenses	**4.48**	28.89
Corporate social responsibility expenses	**12.27**	-
Net loss on foreign currency transactions and translation	**1,167.00**	-
Allowance for doubtful receivables	**196.65**	-
UJALA Scheme		
- Software expenses	**361.55**	391.66
- Project maintenance expenses	**0.92**	25.78
- Other project expenses related to Ujala	**1,438.80**	2,745.44
Other project expenses	**876.36**	492.88
Miscellaneous expenses	**553.46**	104.91
Total	**12,733.19**	8,071.47

35 Disclosure as per Ind AS 12 'Income taxes'

i) Income tax recognised in Statement of Profit and Loss

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current tax expense		
Current year	**2,252.10**	3,110.27
Earlier years	**421.40**	(5.44)
	2,673.50	3,104.83
Deferred tax expense		
Origination and reversal of temporary differences	**161.82**	(125.26)
	161.82	(125.26)
Total income tax expense	**2,835.32**	2,979.57

ii) Income tax recognised in other comprehensive income

Particulars	Before tax	Tax expense/ (benefit)	Net of tax
For the year ended 31 March 2018			
- Net actuarial losses on defined benefit plans	**(12.00)**	**(4.15)**	**(7.85)**
- Exchange differences on translation of foreign operations	**459.12**	**-**	**459.12**
	447.12	**(4.15)**	**451.27**
For the year ended 31 March 2017			
- Net actuarial losses on defined benefit plans	(6.65)	(2.30)	(4.35)
- Exchange differences on translation of foreign operations	(2.47)	-	(2.47)
	(9.12)	(2.30)	(6.82)

iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit before tax	**6,394.67**	8,165.21
Tax using the parent company's domestic tax rate of 34.61% (31 March 2017- 34.61%)	**2,213.07**	2,825.82
Tax effect of:		
Non-deductible tax expenses	**(282.17)**	124.90
Previous year tax liability	**421.40**	(5.44)
Others	**483.02**	34.29
At the effective income tax rate of 44.34% (31 March 2017: 36.49%)	**2,835.32**	2,979.57

iv) Dividend distribution tax on proposed dividend not recognised at the end of the reporting period

Since year ended 31 March 2018, the Directors have recommended the payment of final dividend amounting to ₹ Nil (31 March 2017: ₹1,067.72Lakhs). The dividend distribution tax on this proposed dividend amounting to ₹ Nil (31 March 2017: ₹ 223.37 Lakhs) has not been recognised since this proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.

36 Disclosure as per Ind AS 33 'Earnings per Share'

Basic and diluted earnings per share

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Basic earnings per share* [A/B]	**0.7508**	1.1706
Diluted earnings per share* [A/C]	**0.7504**	1.1706
Nominal value per share	**10.00**	10.00

**rounded upto four decimal places*

(a) Profit attributable to equity shareholders (used as numerator)

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit attributable to equity holders for basic earnings	**3,468.89**	5,179.70
Profit attributable to equity holders [A]	**3,468.89**	5,179.70

(b) Weighted average number of equity shares (used as denominator)

In numbers

Particulars	31 March 2018	31 March 2017
Opening balance of issued equity shares	**46,20,00,000**	16,50,00,000
Effect of shares issued during the year, if any	**-**	27,74,71,233
Weighted average number of equity shares for Basic EPS [B]	**46,20,00,000**	44,24,71,233
Effect of dilution	**2,71,233**	-
Weighted average number of equity shares for Diluted EPS [C]	**46,22,71,233**	44,24,71,233

Note: The parent company has made an offer for right issue under private placement of equity shares to existing shareholders accordingly ₹ 9,900.00 Lakhs has been received on 31 March 2018 from NTPC Limited and subsequently from Power Finance Corporation Limited and Power Grid Corporation of India Limited amounting ₹9,900.00 Lakhs and ₹ 1,520.43 Lakhs on 27 April 2018 respectively.

37 Disclosure as per Ind AS 19 'Employee Benefits'

(i) Defined contribution plans:

A. Provident fund

The Parent Company pays fixed contribution to provident fund at predetermined rates to a registered provident fund administered by the Government, which invests the funds in permitted securities. Amount of ₹ 1.78 Lakhs (31 March 2017: ₹ 128.09 Lakhs) pertaining to employers' contribution to provident fund is recognised as an expense and included in "Employee benefits expense" in Note 32.

B. Superannuation Fund

The Parent Company pays fixed contribution to superannuation fund to a separate trust. Amount of ₹ 119.57 Lakhs (31 March 2017: ₹ 58.73 Lakhs) pertaining to employers' contribution to superannuation fund is recognised as an expense and included in "Employee benefits expense" in Note 32.

B. Pension Fund

The Group voluntary contributes 6% to an external pension fund for its employees of subsidiaries. Amount of ₹ 51.98 Lakhs (31 March 2017: ₹ Nil) is recognised as an expense and included in "Employee benefits expense" in Note 32.

(ii) Defined benefit plans:

A. Gratuity

The Parent Company operates a gratuity plan which provides lump sum benefits linked to the qualifying salary and completed years of service with the Parent Company at the time of separation. Every employee who has completed 5 years of continuous service is entitled to receive gratuity at the time of his retirement or separation from the organisation, whichever is earlier. The gratuity benefit that is payable to any employee, is computed in accordance with the provisions of "The Payment of Gratuity Act, 1972".

During the year, the Parent Company has set up a fund with Life Insurance Corporation (LIC) of India and contribution is made to the gratuity policy issued by LIC of India.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Parent Company's financial statements as at balance sheet date:

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Net defined benefit (asset)/liability:		
Gratuity	**142.27**	61.91
	142.27	61.91
Non-current	**140.89**	61.30
Current	**1.38**	0.61

Movement in net defined benefit (asset)/liability

₹ in Lakhs

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit obligation	
	For the year ended		For the year ended		For the year ended	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017
Opening balance	**61.91**	27.23	-	-	**61.91**	27.23
Included in profit or loss:						
Current service cost	**61.16**	27.32	-	-	**61.16**	27.32
Past service cost	**-**	-	-	-	**-**	-
Net Interest cost	**4.55**	2.17	-	-	**4.55**	2.17
Total amount recognised in profit or loss	**65.71**	29.49	-	-	**65.71**	29.49
Included in other comprehensive income (OCI):						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	**-**	-	-	-	**-**	-
Financial assumptions	**(10.39)**	4.96	-	-	**(10.39)**	4.96
Experience adjustment	**22.39**	1.69	-	-	**22.39**	1.69
Return on plan assets excluding interest income	**-**	-	-	-	**-**	-
Total amount recognised in OCI	**12.00**	6.65	-	-	**12.00**	6.65
Other						
Contributions paid by the employer	**-**	-	14.92	-	**(14.92)**	-
Benefits paid	**(2.64)**	1.46	8.41	-	**(11.05)**	1.46
Closing balance	**142.27**	61.91	6.51	-	**135.76**	61.91

B. Plan assets

Plan assets comprise the following

₹ in Lakhs

Particulars	31 March 2018			31 March 2017		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
State government securities	-	-	-	-	-	-
Central government securities	-	-	-	-	-	-
Corporate bonds/debentures	-	-	-	-	-	-
Money market instruments/liquid mutual fund	-	-	-	-	-	-
Equity and equity linked investments	-	-	-	-	-	-
Investments with insurance companies	-	6.51	6.51	-	-	-
Total (excluding accrued interest)	-	6.51	6.51	-	-	-

Actual return on plan assets is Nil (31 March 2017: Nil).

C. Defined benefit obligations

i. Actuarial assumptions

₹ in Lakhs

Particulars	31 March 2018	31 March 2017
The following are the actuarial assumptions at the reporting date:		
Discount rate	**7.80%**	7.35%
Salary escalation rate	**6.00%**	6.00%
Retirement age (years)	**60**	60
Mortality rates inclusive of provision for disability	**100% of IALM**	(2006 - 08)
Ages	**Withdrawal Rate (%)**	Withdrawal Rate (%)
Up to 30 Years	**3.00**	3.00
From 31 to 44 years	**2.00**	2.00
Above 44 years	**1.00**	1.00

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

₹ in Lakhs

	31 March 2018		31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	**(11.09)**	**12.34**	(4.75)	5.28
Salary escalation rate (0.5% movement)	**12.44**	**(11.32)**	5.33	(4.83)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

D. Risk exposure

a) Changes in discount rate

Reduction in discount rate in subsequent valuations can increase the plan's liability.

b) Salary increases

Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

c) Life expectancy

The plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

d) Investment risk

If plan if funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valaution date can impact the liability.

E. Expected maturity analysis of the defined benefit plans in future years

₹ in Lakhs

	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2018					
Gratuity	**1.39**	**1.36**	**7.78**	**131.74**	**142.27**
31 March 2017					
Gratuity	0.62	0.34	3.09	57.87	61.91

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 20.25 years (31 March 2017: 19.68 years).

(iii) Other long term employee benefit plans

A. Leave

The Parent Company provides for earned leave (EL) benefit (including compensated absences) to the employees of the Parent Company which accrue annually at 30 days. Leave Encashment subject to maximum of 300 days (Earned Leave) is permissible on superannuation/separation. The Parent Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date and accumulated leave is treated as Long Term Employee Benefit. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation. An amount of ₹ 143.65 Lakhs (31 March 2017: ₹ 40.22 Lakhs) for the year have been made on the basis of actuarial valuation at the year end and debited to the statement of profit and loss.

B. Performance based pay

Out of the performance based pay of ₹ 205.54 Lakhs (31 March 2017: ₹ 74.59 Lakhs) charged to Profit & Loss Account, ₹ 205.54 Lakhs (31 March 2017: ₹ 72.76 Lakhs) have been paid during the year.

Out of Emoluments of ₹ 51.92 Lakhs (31 March 2017: ₹ 54.75 Lakhs) charged to the statement of profit and loss account, the entire amount has been paid during the year.

38 Disclosure as per Ind AS 17 on 'Leases'

a) Operating leases

Leases as lessee

The parent company has taken certain residential/office premises and warehouses under non-cancellable operating lease arrangements. Lease rental expenses charged during the year to the Statement of Profit and Loss amounts to ₹ 757.37 Lakhs (31 March 2017: ₹ 438.93 Lakhs).

Total future minimum lease payments due under non-cancellable operating leases are as follows:

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Less than one year	**1,538.58**	373.81
Between one and five years	**3,108.80**	1,079.01
More than five years	**1,054.46**	1,813.93
	5,701.84	3,266.75

The Group has taken certain office premises and warehouses on operating lease for a period ranging from 1 to 5 years, which can be further extended at mutually agreed terms but are not non-cancellable. The lease rental expenses charged during the year in the statement of profit and loss for the year in respect of leases is ₹ 176.63 Lakhs (31 March 2017: ₹ Nil).

Leases as lessor

The parent company has provided certain electrical vehicles (E-vehicles) on operating lease for a period of two to six years, which can be further extended at mutually agreed terms but are not non-cancellable. Lease rentals are subject to escalation of 10% per annum. The lease rental income recognised in the statement of profit and loss for the year in respect of leases is ₹ 15.09 Lakhs (31 March 2017: ₹ Nil).

The Group has provided certain office buildings and warehouses on operating lease for a period of 1 to 5 years, which can be further extended at mutually agreed terms but are not non-cancellable. The lease rental income recognised in the statement of profit and loss for the year in respect of leases is ₹ 146.16 Lakhs (31 March 2017: ₹ Nil).

39 Contingent liabilities and commitments

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Contingent liabilities		
Irrevocable stand by letter of credit in favour of ICICI Bank, UK for £5.5 Millions in the favor of M/s EESL EnergyPro Assets Limited in London, UK valid upto 22 March 2019 with claim expiry upto 31 March 2019	**5,407.04**	4,800.00
Corporate guarantee given to Bank of Baroda, UK for availment of equity bridge loan of £12Millions by M/s EESL EnergyPro Assets Limited in London, UK	**12,919.84**	-
Corporate guarantee given to investee bank PLC, UK for availment of equity bridge loan of £3Millions by M/s EESL EnergyPro Assets Limited in London, UK	**3,691.38**	-
Claims against the parent company not acknowledged as debt (VAT paid under protest)	**5,921.11**	7,183.28
Bank guarantees- lien against fixed deposits	**23.65**	19.21
On account of wage revision as per agreeement with Mass Management Services Private Limited	**28.00**	-
	27,991.03	12,002.49
Commitments		
Estimated value of contract to be executed on capital account and not provided	**8,16,576.9**5	79,964.54
Estimated value of contract of revenue nature to be executed and not provided	**1,83,777.53**	1,43,749.09
Commitment of further investments in Maple Leaf amounting to USD 10 Millions	**6,504.41**	-
	10,06,858.89	2,23,713.63

40 Fair Value Measurements

(a) Financial instruments by category

All of the Group's financial assets and liabilities except for investment in Maple Leaf viz. borrowings, retention money payable, liability for expenses, other payables, loans, cash and cash equivalents, other bank balances, unbilled revenue and trade and other receivables are measured at amortised cost.

(b) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value of financial instruments measured at amortised cost for which fair value is being disclosed, the group has classified these into levels prescribed under the Ind AS 113, ' Fair value measurement' details of which are as under:

₹ in Lakhs

Financial assets measured at fair value- Recurring fair value measurements (Level 2*)	As at 31 March 2018	As at 31 March 2017
Financial assets:		
Investments	**1,440.51**	-
Total	**1,440.51**	-

₹ in Lakhs

Assets and liabilities which are measured at amortised cost for which fair values are disclosed (Level 2*)	As at 31 March 2018	As at 31 March 2017
Financial assets:		
Loan to EnergyPro Asset Management Ltd	**5,712.31**	-
Loan to employees	**151.00**	70.00
Security deposits	**498.69**	121.00
Unbilled revenue	**9,936.59**	15,100.00
Bank deposits	**1,496.90**	4,814.74
Total	**17,795.49**	20,105.74
Financial liabilities:		
Borrowings	**2,26,347.04**	87,155.00
Retention money	**23,132.00**	3,501.00
Total	**2,49,479.04**	90,656.00

* Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(c) Valuation technique used to determine fair value:

i)For financial liabilities (retention money liabilities, debentures,foreign currency loans): Discounted cash flow; appropriate market borrowing rate of the entity as of each balance sheet date used for discounting.

ii) For financial assets (security deposits, employee loans, unbilled revenue) - Discounted future cash flow; appropriate market rate as of each balance sheet date used for discounting.

(d) Fair value of financial assets and liabilities measured at amortised cost

₹ in Lakhs

Particulars	31 March 2018		31 March 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loan to EnergyPro Asset Management Ltd	**5,009.66**	**5,712.31**	-	-
Loan to employees	**182.91**	**151.00**	73.68	70.00
Security deposits	**449.35**	**498.69**	120.27	121.00
Unbilled revenue	**7,283.55**	**9,936.59**	12,044.16	15,100.00
Bank deposits	**1,496.90**	**1,496.90**	4,814.74	4,814.74
	14,422.37	**17,795.49**	17,052.85	20,105.74
Financial liabilities				
Borrowings	**2,15,250.19**	**2,26,347.04**	82,623.86	87,155.00
Retention money	**21,723.37**	**23,132.00**	5,194.96	3,501.00
	2,36,973.56	**2,49,479.04**	87,818.81	90,656.00

The carrying amounts of current trade receivables, trade payables, payable for capital expenditure, investment in bonds, cash and cash equivalents and other financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for security deposits, unbilled revenue, employee term loans, borrowings and retention money were calculated based on cash flows discounted using a current lending rate/borrowing rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of observable market inputs.

41 Financial Risk Management

The Group's principal financial liabilities comprise loans and borrowings in foreign as well as domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade & other receivables, and cash and short-term deposits that derive directly from its operations.

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Group. Credit risk arises principally from trade receivables, unbilled revenue, loans & advances, cash & cash equivalents and deposits with banks.

Trade receivables

The Group earns its revenue mainly from government controlled entities (both central and state government). As these entities are government controlled, the counter party risk attached to such receivables are considered to be insignificant.

For rest of the customers, Group evaluates and manages its credit risk by taking into consideration the ageing of the dues, specific credit circumstances, nature of the customers and credit worthiness of the customers.

The impairment loss allowance is assessed by the Group using life time ECL approach which is based on the business environment in which the

Group operates. The trade receivables are considered in default (credit impaired) when the possibility of recovery of receivables based on the assessment/ evaluation on the parameters stated above are deteriorating and are required to be provided as allowance for doubtful receivables in a systematic manner.

The Group has not experienced any significant impairment losses in respect of trade receivables in the past years. Since the Group has its customers within different states of India and different countries outside India, geographically there is no concentration of credit risk.

Cash and cash equivalents

The Group held cash and cash equivalents of ₹ 55,878.19 Lakhs (31 March 2017: ₹ 26,467.08 Lakhs). The cash and cash equivalents are held with banks with high rating.

Deposits with banks and financial institutions

The Group held deposits with banks and financial institutions of ₹ 6,857.92 Lakhs (31 March 2017: ₹ 5,767.04 Lakhs). In order to manage the risk, Group places deposits with only high rated banks/institutions.

Loan to employees

The Group has given loans to employees. The Group manages its credit risk in respect of loan and advances to employee through settlement of dues against full & final payment to employees.

Loan to EnergyPro Asset Management Ltd (EPAM)

As per joint venture agreement between the Parent Company and EPAM, in case, EPAM defaults in payment of any amount due under loan given by EPAL by its due date, a deemed transfer notice will be deemed to be served on the Company which will impact EPAM as below:

- EPAM shall be deprived of all its voting rights at any meetings of Shareholders;
- the Director(s) appointed by EPAM shall be deprived of all voting rights (and such Director(s) will lose its rights to attend Board meetings);
- the Defaulting Shareholder shall not be entitled to receive any dividend or other distribution payable by the Company.
- EPAL will have the right to purchase all of EPAM's shares at 90% of the Fair Value per equity share.

As per the loan agreement, in case of any default, interest on the unpaid amount shall accrue daily, from the date of non-payment to the date of actual payment, at 2% above the rate specified under the agreement. Also, EnergyPro Asset Management Ltd along with its nominee director shall be deprived of all of its voting rights as shareholder in EPAL, and it shall not be entitled to any dividend or other distribution payable by the EPAL.

In view of above-mentioned clauses of the joint venture agreement and loan agreement, management is of the view that risk of default is low.

Investment

EESL EnergyPro Asset Limited (EPAL) has made a strategic investment in a partnership firm Maple Leaf Storage LPI. As per the terms of subscription agreement, if conditions laid down in the agreement are not achieved by the LP within one year of the Closing Date, the cash flow allocation to EPAL in relation to its investment shall be established, at that time, in a manner to provide EPAL a projected IRR of at least 10.0% (based on the 15-year financial model).

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current investments	**1,440.51**	-
Non-current loans	**5,475.59**	127.59
Other non-current financial assets	**3,814.49**	10,116.07
Cash and cash equivalents	**55,878.19**	26,467.08
Deposits with banks	**6,857.92**	5,767.04
Current loans	**166.33**	66.36
Other current financial assets	**6,351.65**	8,050.65
	79,984.68	50,594.79
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	**35,884.23**	20,105.10
	35,884.23	20,105.10

(ii) Provision for expected credit losses

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The Group has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly, no loss allowance for impairment has been recognised.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

The Group has customers with capacity to meet the obligations and therefore the risk of default is low. Further, management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour. However, an allowance for doubtful receivables of ₹ 196.64 Lakhs (31 March 2017: ₹ Nil) has been recognised during the year to the extent of 10% of the total outstanding of ₹ 1,966.40 Lakhs of cases which are under litigation for recovery.

(c) Financial assets for which loss allowance is measured and recommended by Comptroller and Auditor General of India

The Group has not made a provision of ₹ 16.50 crores on account of subsidy not received from Delhi Government/DERC as per the recommendation made by the CAG of India of their report dated 18/10/2017 issued to Holding Company. However, the management is of the view that the recovery is being followed up with concerned authority, which is under review and the management is confident for recovery of their dues.

(iii) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

₹ in Lakhs

Ageing	Gross carrying amount as at 31 March 2018	Gross carrying amount as at 31 March 2017
Not due	-	-
0-30 days past due	**32,876.18**	17,194.46
31-60 days past due	**8,626.13**	39,385.22
61-90 days past due	**4,779.35**	2,541.82
91-120 days past due	**1,793.50**	2,754.26
More than 120 days past due	**81,969.45**	18,265.00
Total	**1,30,044.60**	80,140.76

(iv) Reconciliation of allowance for doubtful receivables

The movement in the allowance for doubtful receivables in respect of trade receivables during the year is as follows:

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening balance	**-**	-
Add: Allowance for doubtful debts recognised during the year	**196.65**	-
Closing balance	**196.65**	-

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has an appropriate liquidity risk management framework for the management of short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

₹ in Lakhs

Particulars	31 March 2018	31 March 2017
Fixed-rate borrowings		
Term loans	-	15,000.00
Foreign currency loans	**199,144.30**	4,575.27
Short term credit facility	**922.85**	-
Floating-rate borrowings		
Term loans	**11,500.00**	-
Foreign currency loans	**120,331.59**	-
Total	**331,898.73**	19,575.27

(ii) Maturitites of financial liabilities

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

31 March 2018

₹ in Lakhs

Contractual maturities of financial liabilities	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings (including interest accrued)	**2,585.96**	**11,590.58**	**20,418.03**	**126,811.70**	**60,330.27**	**221,736.54**
Current borrowings	**12,801.75**	**58,575.52**	-	-	-	**71,377.27**
Trade payables	**23,674.12**	**127,911.77**	**13.42**	**13.42**	-	**151,612.72**
Retention money	-	**11,874.46**	**837.97**	**5,724.99**	**3,285.94**	**21,723.37**
Liability for expenses	**9.08**	**2,186.77**	-	-	-	**2,195.85**
Payable to employees	**5.11**	-	-	-	-	**5.11**
Others	**383.33**	**700.16**	-	-	-	**1,083.49**
Total	**39,459.35**	**212,839.26**	**21,269.42**	**132,550.11**	**63,616.21**	**469,734.35**

31 March 2017

₹ in Lakhs

Contractual maturities of financial liabilities	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings (including interest accrued)	2,299.00	10,000.00	3,535.12	30,560.21	48,528.52	94,922.85
Current borrowings	-	35,000.00	-	-	-	35,000.00
Trade payables	0.01	45,869.51	-	-	-	45,869.52
Retention money	-	8,533.01	-	1,644.39	1,096.26	11,273.66
Liability for expenses	(0.00)	77.12	-	-	-	77.12
Payable to employees	57.63	-	-	-	-	57.63
Others	0.01	696.63	-	-	-	696.64
Total	2,356.64	100,176.27	3,535.12	32,204.60	49,624.78	187,897.41

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Board of Directors is responsible for setting up of policies and procedures to manage market risks of the Group. All such transactions are carried out within the guidelines set by the risk management committee.

Currency risk

The Group is exposed to foreign currency risk on certain transactions that are denominated in a currency other than respective entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates.

The currency profile of financial liabilities as at 31 March 2018 and 31 March 2017 are as below:

₹ in Lakhs

Particulars	31 March 2018 EURO	31 March 2018 USD	31 March 2018 GBP	31 March 2017 EURO	31 March 2017 USD	31 March 2017 GBP
Financial liabilities						
Foreign currency borrowings	42,722.30	9,756.61	-	32,623.86	-	-
Trade payables	3,336.46	-	55.43	-	-	-
Financial assets						
Trade receivables	(559.22)	-	-	-	-	-
Investment	-	(1,440.51)	-	-	-	-
Net Exposure	**45,499.54**	**8,316.10**	**55.43**	32,623.86	-	-

Sensitivity analysis

A strengthening of the Indian Rupee, as indicated below, against GBP, Euro and USD at 31 March would have increased/ (decreased) profit or loss (before tax) by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for previous year, except that the reasonably possible foreign exchange rate variances were different, as indicated below.

₹ in Lakhs

10% movement	1 March 2018		31 March 2017	
	Strengthening	Weakening	Strengthening	Weakening
Profit and Loss (before tax)				
INR/EUR	**4,549.95**	**(4,549.95)**	3,262.50	(3,262.50)
INR/USD	**831.61**	**(831.61)**	-	-
INR/GBP	**5.54**	**(5.54)**	-	-
	5,387.11	**(5,387.11)**	3,262.50	(3,262.50)

Interest rate risk

The Group is exposed to interest rate risk arising mainly from non-current borrowings with floating interest rates. The Group is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Group manages the interest rate risks by entering into different kinds of loan arrangements with varied terms (e.g. fixed rate loans, floating rate loans, rupee term loans, foreign currency loans, etc.).

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments is as follows:

₹ in Lakhs

Particulars	31 March 2018	31 March 2017
Financial assets:		
Fixed-rate instruments		
Employee Loans	**178.11**	73.68
Sub total	**178.11**	73.68
Variable-rate instruments		
Loan to EnergyPro Asset Management Ltd	**5,009.66**	-
Sub total	**5,009.66**	-
Total	**5,187.77**	73.68
Financial liabilities:		
Fixed-rate instruments		
Foreign currency loans	**42,722.30**	32,623.86
Debentures	**127,500.00**	50,000.00
Rupee term loans	**26,000.00**	35,000.00
Sub total	**196,222.30**	117,623.86
Variable-rate instruments		
Foreign currency loans	**9,756.61**	-
Rupee term loans	**37,500.00**	10,000.00
Term loan from banks	**35,271.26**	-
Short term	**7,844.06**	-
Sub total	**90,371.94**	10,000.00
Total	**286,594.24**	127,623.86

Fair value sensitivity analysis for fixed-rate instruments

The Group's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the previous year.

₹ in Lakhs

Particulars	Profit or loss (before tax)	
	50 bp increase	50 bp decrease
31 March 2018		
Loan to EnergyPro Asset Management Ltd	**1,326.27**	(1,326.27)
Foreign currency loans	**(2,488.93)**	2,488.93
Rupee term loans	**(2,376.43)**	2,376.43
Term loan from banks	**(9,350.54)**	9,350.54
Short term	**(1,926.66)**	1,926.66
Total	**(14,816.29)**	14,816.29

₹ in Lakhs

Particulars	Profit or loss (before tax)	
	50 bp increase	50 bp decrease
31 March 2017		
Rupee term loans	**(481.70)**	481.70
Total	**(481.70)**	481.70

42 Capital Management

The Group's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and

- maintain an appropriate capital structure of debt and equity.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds and sourcing by leveraging opportunities in domestic and international financial markets so as to maintain investors, creditors & markets' confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to equity shareholders.

Under the terms of major borrowing facilities, the Group is required to comply with the following financial covenants:

(a) Borrowings of parent company:

(i) Maintain a current ratio (current assets divided by current liabilities) of at least 1.0

(ii) Maintain a minimum asset coverage of 1.00 times

(iii) Maintain a Debt:Equity ratio (long-term debt divided by equity net of accumulated profits/losses) not exceeding 80:20

(iv) Maintain a asset debt service coverage ratio (net cash flow from operations divided by debt service obligations, including all principal payments and tax-shielded interest and lease payments following due within the year) of at least 1.2

(v) Borrower shall inform the Bank simultaneously along with Stock Exchange if substantial effect on their profit or business means an adverse variance of 20% or more.

(b) Borrowings of subsidiary companies:

(i) EESL EnergyPro Assets Limited- Maintain cash flow cover (cash flow to debt service including finance charges) of at leaset 1.4:1.0.

(ii) Edina Acquisition Limited- Maintain cash flow cover (cash flow to debt service including finance charges) of at leaset 1.0:1.0, maintain interest cover (EBITDA to finance charges) ranging between 4.08:1 to 10.27:1 and maintain leverage cover (total debt to EBITDA) ranging between 1.25:1 to 3.88:1.

(iii) Edina UK Limited- Maintain debt servicing cover (cash flow available for debt servicing to debt service liability) of at least 1.10:1 and maintain EBITDA for each 12 month period ending on the last day of a financial quarter of at least £1,500,000.

There have been no breaches in the financial covenants of any interest bearing borrowings.

The Group monitors capital, using a medium term view of three to five years, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Group is not subject to externally imposed capital requirements.

The Group monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of non-current and current borrowings less cash and cash equivalent. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Borrowings	**292,068.67**	129,922.86
Less : Cash and cash equivalent	**55,878.19**	26,467.08
Net debt	**236,190.48**	103,455.78
Total equity	**69,007.29**	55,525.38
Net debt to equity ratio	**3.42**	1.86

The Group monitors capital using gearing ratio which is debt divided by total equity. Debt comprises of non-current and current borrowings. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Borrowings	**292,068.67**	129,922.86
Total debt	**292,068.67**	129,922.86
Total equity	**69,007.29**	55,525.38
Debt to equity ratio	**4.23**	2.34

43 Disclosure as per Ind AS 108 'Operating Segments'

A. General Information

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:

Trading: Sale of energy efficient appliances to the different customers

Services: Providing the energy efficient technology services on ESCO mode and consultancy services.

Industrial engine and component: Manufacture, sale, installation, hire and service of diesel and gas powered generators and related spare parts.

Energy saving services (UK): Providing the energy efficient technology services on ESCO mode in United Kingdom (UK).

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's Board. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

B. Information about reportable segments and reconciliations to amounts reflected in the financial statements:

₹ in Lakhs

Particulars	Trading		Services		Industrial engine & component		Energy saving services (UK)		Total	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Segment revenue										
Sale of products/ ESCO Project income/ Other consultancy	**1,04,788.27**	1,02,248.73	**30,806.00**	12,837.30	**7,165.63**	-	**22.56**	-	**1,42,782.46**	1,15,086.03
Segment expenses	**94,188.71**	95,854.27	**13,670.39**	5,856.83	**6,454.02**	-	**10.48**	-	**1,14,323.60**	1,01,711.10
Segment results	**10,599.56**	6,394.46	**17,135.61**	6,980.47	**711.61**	-	**12.08**	-	**28,458.86**	13,374.93
Unallocated corporate interest and other income									**5,473.52**	7,626.44
Unallocated corporate expenses, finance charges									**27,705.54**	12,842.10
Profit before tax									**6,226.84**	8,159.27
Income tax (net)									**2,835.33**	2,979.57
Profit after tax									**3,391.51**	5,179.70
Depreciation and amortisation expense	-	-	**13,327.71**	5,543.57	**26.42**	-	**7.05**	-	**13,361.18**	5,543.57
Non-cash expenses other than depreciation	**196.64**	-	-	-	-	-	-	-	**196.64**	-
Capital expenditure	-	-	**1,27,998.48**	59,266.48	-	-	**1,570.81**	-	**1,29,569.29**	59,266.48
Segment assets	**1,15,878.05**	79,964.66	**2,57,907.92**	1,22,891.21	**81,795.42**	-	**4,609.91**	-	**4,60,191.30**	2,02,855.87
Unallocated corporate and other assets									**86,722.65**	54,791.05
Total assets	**1,15,878.05**	79,964.66	**2,57,907.92**	1,22,891.21	**81,795.42**	-	**4,609.91**	-	**5,46,913.95**	2,57,646.92
Segment liabilities	**12,092.64**	14,615.18	**96,313.10**	31,254.34	**63,467.48**	-	**4,529.78**	-	**1,76,403.00**	45,869.52
Unallocated corporate and other liabilities									**3,01,503.66**	1,56,252.02
Total liabilities	**12,092.64**	14,615.18	**96,313.10**	31,254.34	**63,467.48**	-	**4,529.78**	-	**4,77,906.66**	2,02,121.54

C. Information about geographical areas

₹ in Lakhs

Revenue from external customers	For the year ended 31 March 2018	For the year ended 31 March 2017
India	**1,35,594.27**	1,15,086.03
United Kingdom	**3,468.17**	-
Ireland	**2,499.31**	-
Rest of the World	**1,220.71**	-
Total	**1,42,782.46**	1,15,086.03
Non-current assets*		
India	**2,16,490.41**	97,576.30
United Kingdom	**49,575.12**	-
Ireland	**1,893.26**	-
Rest of the World	**54.00**	-
Total	**2,68,012.79**	97,576.30

*other than financial instruments and deferred tax assets

D. Information about major customers

No external customer individually accounted for more than 10% of the revenues during the year ended 31 March 2018 and 2017.

44 Disclosure as per Ind AS 24 'Related Party Disclosures'

a) List of Related parties:

i) Entities having joint control over the group:

1. **NTPC Limited**
2. **Power Grid Corporation of India Limited**
3. **Rural Electrification Corporation Limited**
4. **Power Finance Corporation Limited**

ii) Key Managerial Personnel (KMP):

Kaushal Kishore Sharma	Director and Chairman	w.e.f. 21 October, 2016 til 31 October, 2017
Avakash Saxena	Nominee Director	w.e.f. 22 September, 2016 till 5 February, 2018
Pankaj Kumar	Nominee Director	w.e.f. 4 August, 2017 till 15 March, 2018
Rajeev Sharma	Director and Chairman	w.e.f. 5 February, 2018
Seethapathy Chander	Independent Director	w.e.f. 5 February, 2018
Raj Pal	Nominee Director	w.e.f.14 July, 2016
Vijay Kumar Singh	Nominee Director	w.e.f. 21 October, 2016
Gauri Surendra Trivedi	Independent Director	w.e.f. 5 February, 2018
Saurabh Kumar	Managing Director	w.e.f. 7 May, 2013
Mohit Bhargava	Nominee Director	w.e.f. 5 February, 2018
Renu Narang	Director (Finance)	w.e.f. 1 March, 2018
Pooja Shukla	Company Secretary	w.e.f. 27 December, 2012
Shankar Gopal	Chief Financial Officer	w.e.f. 8 June, 2016
Anil Kumar Gupta	Director (Finance)	w.e.f. 5 February, 2016 till 26 December, 2016
S.N. Gaikwad	Director (Projects & Business Development)	w.e.f. 5 February, 2016 till 3 November, 2016
Seema Gupta	Nominee Director	w.e.f. 10 July, 2013 till 25 April, 2016
A Chakravati	Nominee Director	w.e.f. 16 January, 2014 till 12 September, 2016
Radha Krishna Srivastava	Nominee Director	w.e.f. 24 September, 2015 till 6 September, 2016
Sanjay Seth	Nominee Director	w.e.f. 3 July, 2015 till 16 September, 2016
Puliyar Krishnaswamy Ravi	Government Nominee Director	w.e.f. 20 June, 2013 till 6 July, 2016
Sameer Agarwal	Chief Financial Officer	w.e.f. 27 September, 2014 till 8 June, 2016
Neelima Jain	Director in Subsidiary	w.e.f. 13 March, 2018
Saurabh Kumar	Director in Subsidiary	w.e.f. 13 March, 2018
Steven Fawkes	Director in Subsidiary	w.e.f. 13 March, 2018
Mike Tivey	Director in Subsidiary	w.e.f. 13 March, 2018
Matt Pumfery	Director in Subsidiary	w.e.f. 13 March, 2018
Delvin Lane	Director in Subsidiary	w.e.f. 13 March, 2018

iii) Subsidiaries:

Interest in subsidiaries are set out in Note 47.

iv) Joint ventures:

1. EESL EnergyPro Assets Limited (with effect from 20 March 2017 till 12 March 2018)
2. NEESL Private Limited

v) Subsidiaries, joint ventures and associates of entities having joint control over the group:

1. PFC Capital Advisory Services Limited
2. PFC Consulting Limited
3. PFC Green Energy Limited
4. REC Power Distribution Co. Limited
5. Utility Powertech Limited

vi) Post Employment Benefit Plans:

Energy Efficiency Services Limited Employees Group Superannuation Defined Contribution Scheme Trust

vii) Non-controlling interest:

EnergyPro Asset Management Limited

viii) Entities under the control of the same government:

Bureau of Energy Efficiency

NHPC Limited

ONGC Limited

BHEL Limited

Coal India Limited

Indian Renewable Energy Development Agency Limited (IREDA)

b) Transactions with the related parties are as follows:*

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Sales/purchase of goods and services during the year		
Manpower services received by the Group		
Utility Powertech Limited	**1,917.19**	1,083.26
Consultancy services provided by the Group		
NTPC Limited		261.47
Power Grid Corporation of India Limited		16.30
Rural Electrification Corporation Limited		91.93
Power Finance Corporation Limited		285.13
Sales of goods		
NTPC Limited	**7,953.05**	1,455.16
Power Grid Corporation of India Limited	**434.72**	-
Rural Electrification Corporation Limited	**95.76**	-
Power Finance Corporation Limited	**205.94**	3.35
Deputation of employees		
NTPC Limited	**88.49**	181.67
Equity contribution received		
NTPC Limited	**9,900.00**	9,900.00
Rural Electrification Corporation Limited	**-**	9,900.00
Power Finance Corporation Limited	**-**	9,900.00
Final dividend paid		
NTPC Limited	**880.35**	338.57
Power Grid Corporation of India Limited	**135.21**	52.00
Rural Electrification Corporation Limited	**880.35**	338.57
Power Finance Corporation Limited	**880.35**	338.57
Interim dividend paid		
NTPC Limited	**411.72**	-
Power Grid Corporation of India Limited	**63.23**	-
Rural Electrification Corporation Limited	**411.72**	-
Power Finance Corporation Limited	**411.72**	-
Interest income		

b) **Transactions with the related parties are as follows:* (Continued)**

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
EnergyPro Asset Management Limited	**8.25**	-
Banking fee and guarantee fees recovered		
EnergyPro Asset Management Limited	**93.40**	-
Loan given		
EnergyPro Asset Management Limited	**4,963.76**	-
Equity contribution paid		
NEESL Private Limited	**0.26**	-
Guarantee fees received		
EESL EnergyPro Assets Limited	**181.81**	42.00
Corporate guarantee provided		
EESL EnergyPro Assets Limited	-	4,800.00

Transactions with KMP:

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Transactions with post employment benefit plans		
- Contributions made during the year	**119.57**	58.73
Compensation to Key management personnel		
- Short term employee benefits	**96.02**	80.51
- Post employment benefits	**5.85**	10.99
- Other long term benefits	**0.28**	11.62
Total Compensation to Key management personnel	**102.15**	103.12
Outstanding compensation	**0.13**	0.80

₹ in Lakhs

Transactions with the related parties under the control of the same government:

Name of the related party	Nature of transaction	For the year ended 31 March 2018	For the year ended 31 March 2017
Coal India Limited	Consultancy services	**148.72**	-
Indian Renewable Energy Development Agency Limited (IREDA)	Consultancy services	**221.28**	-
Bureau of Energy Efficiency	Sale of goods	**2,269.46**	170.93
NHPC Limited	Consultancy services	**555.95**	19.55
ONGC Limited	Sale of goods	**380.10**	8.40
BHEL Limited	Sale of goods	**15.88**	62.26
		3,591.39	261.14

c) **Outstanding balances with related parties are as follows:**

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Amount recoverable for sale/purchase of goods and services		
- From NTPC Limited	**4,894.98**	1,645.00
- From Power Grid Corporation of India Limited	**110.74**	9.32
- From Rural Electrification Corporation Limited	**538.85**	402.08
- From Power Finance Corporation Limited	**263.76**	394.87
- From PFC Capital Advisory Services Limited	**2.32**	2.32
- From PFC Consulting Limited	**0.20**	0.69
- From PFC Green Energy Limited	**0.08**	2.79
Amount recoverable (Loan)		
- From EnergyPro Asset Management Limited	**5,009.66**	-
Amount payable (other than loans)		
- To Utility Powertech Limited	**202.36**	1,133.92

d) Terms and conditions of transactions with the related parties

(1) Transactions with the related parties are made on normal commercial terms and conditions and at market rates.

(2) There were no contracts or arrangements or transactions entered into during the year ended March 31, 2018 which were not at Arm's Length Price.

(3) The Group is receiving manpower services from M/s Utility Powertech Ltd (UPL), a 50:50 joint venture between NTPC Limited and Reliance Infrastructure Ltd.

(4) The Group provides consultancy services and sell goods to companies having joint control on which it recovers cost plus services charges from such companies.

(5) Loan is given to EnergyPro Asset Management Limited (EPAM) at interest rate of LIBOR plus margin (2.80%). Banking fee and guarantee fees are recovered on cost to cost basis. As per the loan agreement, in case of any default, EnergyPro Asset Management Ltd along with its nominee director shall be deprived of all of its voting rights as shareholder in EESL EnergyPro Asset Limited (EPAL), and it shall not be entitled to any dividend or other distribution payable by the EPAL.

(6) Outstanding balances of related parties at the year-end are unsecured and interest free except for loan to EPAM and settlement occurs in cash. For the year ended 31 March 2018, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: ` Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

45 Disclosure as per Ind AS 103 'Business Combinations'

(a) Acquisition of subsidiary

On 13 March 2018 the parent Company acquired additional 21,515,000 shares in EESL EnergyPro Assets Limited ("EPAL") in proportion of its 80% holding of the issued share capital. The Company's interest in EPAL remains the same at 80%. However, the parent Company now controls the relevant activities of EPAL as a result of amendment in the shareholder's agreement with effect from 13 March 2018.

On 14 March 2018 the EPAL acquired 100% of the issused equity and preference share capital of Edina Power Services Limtied. Edina Power Services Limited has seven wholly owned subsidiaries (Edina Power Services Limited along with its subsidiaries is referred as "Edina Group"). The principal activity of Edina Group is the manufacture, installation, containerisation and service of diesel and gas generators, and the sale of related spare parts.

Control over EPAL will enable the Group to exercise control over operational decisions of the EPAL. Control over Edina Group will enable the Group to exercise control over operational decisions of the Edina Group and access to a technology in the energy sector.

For the period from 13 March 2018 to 31 March 2018, EPAL along with step down subsidiaries Edina group contributed revenue of ₹ 7,221.81 Lakhs and profit of ₹ (-)386.90 Lakhs to the Group's result. Management estimates that if the acquisition had occurred on 1 April 2017, consolidated revenue and consolidated profit for the year would have been ₹ 216,209.12 Lakhs and ₹ 5,061.18 Lakhs, respectively. Management has determined these amounts on the basis that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2017.

(b) Consideration transferred

The Company paid ₹ 19,179.78 Lakhs as purchase consideration in cash for acquisition of control over EPAL. EPAL paid ₹ 49,627.27 Lakhs as purchase consideration in cash for acquisition of control over Edina Group.

(c) Acquisition related cost

The Group incurred acquisition-related costs of ₹ 505.06 Lakhs on legal fees and due diligence costs. These costs have been included in other expenses in statement of profit or loss and in operating activities in statement of cash flows.

(d) Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

Particulars	EPAL	Edina Group
Property, plant and equipment	1,875.81	4,247.20
Goodwill	1,182.95	45.50
Other intangible asset	-	59.51
Non-current financial assets	1,401.73	422.46
Deferred tax asset/(liability)	303.09	(134.24)
Inventory	-	11,130.80
Trade receivables	168.92	8,758.28
Cash and cash equivalents	31,231.83	3,326.84
Other bank balances	243.62	1,389.34
Other financial assets	5,103.16	1,503.43
Other assets	1,942.12	-
Current tax assets	-	407.73

Particulars	EPAL	Edina Group
Non-current borrowings	(10,827.77)	(1,031.40)
Current borrowings	(7,669.54)	(197.61)
Trade payables	(1,604.58)	(20,890.61)
Other financial liabilities	-	(8.94)
Other liabilities	(9.57)	(858.57)
Total net identifiable assets acquired	23,341.77	8,169.72

The fair value of trade receivables and other financial assets is equivalent to the contractual amount receivable (net of provisions). Further, there are no trade receivables and other financial assets as at the acquisition date whose contractual cash flow are not expected to be collected.

If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

Goodwill

Goodwill arising from the acquisition has been determined as follows:

Particulars	Amount	Amount
Consideration transferred	19,179.78	49,627.27
Fair value of pre-existing equity interest	-	-
Non-controlling interest in the acquired entity	4,668.37	-
Less: Fair value of net identifiable assets	(23,341.79)	(8,169.72)
Goodwill	**506.36**	**41,457.55**

The goodwill is attributable to the workforce and the high profitability of the acquired business. It will not be deductible for tax purposes.

The Group previously held 80% interest in EPAL which was classified as investments in joint venture Company and measured as per equity method till 13 March 2018 on which date the control has been acquired by the parent Company.

The remeasurement to fair value of the Group's existing interest in EPAL resulted in a loss of ₹ Nil.

Exchange difference on translation of joint venture recognised in Other Comprehensive Income of ₹ 12.61 lakh has been reclassified to retained earnings.

There were no acquisitions in the year ended 31 March 2017.

(f) Accounting policy choice for non-controlling interests

The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in EPAL, the Group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets.

(g) Purchase consideration – cash outflow

Particulars	EPAL	Edina Group
Outflow of cash to acquire subsidiaries, net of cash acquired		
Cash consideration	19,179.78	49,627.27
Less: Cash and cash equivalents acquired	31,231.83	3,326.84
Net outflow of cash – investing activities	**(12,052.05)**	**46,300.43**

46 Disclosure as per Schedule III to the Companies Act, 2013

₹ in Lakhs

Name of the entity in the Group	As at 31 March 2018		For the year ended 31 March 2018					
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in OCI		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of totalcompr-ehensive income	Amount
Parent company								
Energy Efficiency Services Limited	93.39%	64,442.96	116.36%	3,946.24	-1.74%	(7.85)	102.49%	3,938.39
Foreign subsidiaries								
EESL EnergyPro Assets Limited*	35.61%	24,575.36	2.32%	78.74	0.00%	-	2.05%	78.74
Anesco Energy Services South Ltd	5.92%	4,084.47	0.36%	12.18	0.00%	-	0.32%	12.18
Creighton Energy Limited	2.25%	1,555.97	0.05%	1.84	0.00%	-	0.05%	1.84
EPAL Holdings Limited	-0.01%	(3.96)	-0.12%	(3.92)	0.00%	-	-0.10%	(3.92)
Edina Acquisition Limited	-0.30%	(203.64)	-23.41%	(793.87)	0.00%	-	-20.66%	(793.87)
Edina Power Services Limited	4.87%	3,361.16	0.18%	6.12	0.00%	-	0.16%	6.12
Edina Limited	10.48%	7,232.68	0.68%	23.06	0.00%	-	0.60%	23.06
Edina UK Limited	7.13%	4,922.81	12.43%	421.66	0.00%	-	10.97%	421.66
Edina Australia Pty Limited	0.14%	93.96	-0.10%	(3.30)	0.00%	-	-0.09%	(3.30)
Armoura Holdings Limited	0.14%	93.77	-0.52%	(17.58)	0.00%	-	-0.46%	(17.58)
Stanbeck Limited	-0.37%	(253.66)	-0.16%	(5.37)	0.00%	-	-0.14%	(5.37)
Edina Manufacturing Limited	0.03%	23.28	0.27%	9.32	0.00%	-	0.24%	9.32
Edina Power Limited	0.97%	666.71	-4.96%	(168.24)	0.00%	-	-4.38%	(168.24)
Non-controlling interest in all subsidiaries	6.79%	4,684.84	-2.28%	(77.38)	20.80%	93.85	0.43%	16.47
Foreign joint ventures								
EESL EnergyPro Assets Limited*	0.00%	-	-5.03%	(170.49)	-2.25%	(10.14)	-4.70%	(180.63)
Indian joint ventures								
NEESL Private Limited	0.00%	2.91	0.08%	2.65	0.00%	-	0.07%	2.65
Consolidation adjustment	-67.05%	(46,272.33)	3.83%	129.85	83.19%	375.41	13.15%	505.26
Total	100.00%	69,007.29	100.00%	3,391.51	100.00%	451.27	100.00%	3,842.78

*became subsidiary with effect from 13 March 2018.

₹ in Lakhs

Name of the entity in the Group	As at 31 March 2017		For the year ended 31 March 2017					
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in OCI		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of totalcompr-ehensive income	Amount
Parent company								
Energy Efficiency Services Limited	99.59%	55,298.83	100.11%	5,185.64	63.79%	(4.35)	100.10%	5,181.29
Foreign joint ventures								
EESL EnergyPro Assets Limited	0.41%	229.59	-0.11%	(5.94)	36.21%	(2.47)	-0.10%	(5.36)
Total	**100.00%**	**55,528.42**	**100.00%**	**5,179.70**	**100.00%**	**(6.82)**	**100.00%**	**5,175.92**

47 Disclosure as per Ind AS 112 'Disclosure of interest in other entities'

a) Investment in subsidiary company:

The group's subsidiaries at 31 March 2018 are listed below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Country of incorporation	Ownership interest held by the group (%)		Ownership interest held by non-controlling interests (%)		Principal Activities
		31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	
EESL EnergyPro Assets Limited	United Kingdom	**80.00**	-	**20.00**	-	Holding company & business support
Anesco Energy Services (South) Limited	United Kingdom	**80.00**	-	**20.00**	-	Provision of energy saving services
Creighton Energy Limited	United Kingdom	**80.00**	-	**20.00**	-	
EPAL Holdings Limited	United Kingdom	**80.00**	-	**20.00**	-	Investment holding company
Edina Acquisition Limited	United Kingdom	**80.00**	-	**20.00**	-	
Edina Power Services Limited	Ireland	**80.00**	-	**20.00**	-	
Edina Limited	Ireland	**80.00**	-	**20.00**	-	Manufacture, sale, installation, hire and service of diesel and gas powered generators and related spare parts
Edina UK Limited	United Kingdom	**80.00**	-	**20.00**	-	
Edina Manufacturing Limited	United Kingdom	**80.00**	-	**20.00**	-	
Edina Power Limited	United Kingdom	**80.00**	-	**20.00**	-	Containerisation of diesel and gas powered generators and production of equipment for containerisation
Edina Australia Pty Limited	Australia	**80.00**	-	**20.00**	-	Equipment wholesale sales and maintenance activities
Armoura Holdings Limited	Ireland	**80.00**	-	**20.00**	-	Investment in and rental of property
Stanbeck Limited	Ireland	**80.00**	-	**20.00**	-	Property investment company

For the purpose of consolidation, the accounting policies of subsidiaries have been aligned with the Group's accounting policy wherever necessary to ensure consistent application of accounting policy. Consequently, to prepare its consolidated financial statements, the Group has recorded a net adjustment of ₹ (-)627.87 lakhs in the amount of profit/loss reported by the subsidiaries in their respective financial statements for post-acquisition period.

Non-controlling interests

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for subsidiary are before inter-company eliminations.

₹ in Lakhs

Summarised balance sheet	31-Mar-18	31-Mar-17
Current assets	31,346.99	-
Current liabilities	36,935.90	-
Net current assets	(5,588.91)	-
Non-current assets	60,295.82	-
Non-current liabilities	31,282.77	-
Net non-current assets	29,013.05	-
Net assets	23,424.14	-
Accumulated NCI	4,684.84	-

Summarised statement of profit and loss	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue	7,221.81	-
Profit for the year	(386.91)	-
Other comprehensive income (OCI)	469.26	-
Total comprehensive income	82.35	-
Profits attributable to NCI	(77.38)	-
OCI attributable to NCI	93.85	-
Total comprehensive income attributable to NCI	16.47	-
Dividends paid to NCI	-	-

Summarised cash flows	31-Mar-18	31-Mar-17
Cash flows from operating activities	(13,014.39)	-
Cash flows from investing activities	(47,871.24)	-
Cash flows from financing activities	33,465.02	-
Net increase/(decrease) in cash and cash equivalents	(27,420.61)	-

b) Investment in joint venture company:

The group's joint ventures at 31 March 2018 are listed below. They have share capital consisting solely of equity shares that are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Company name	Country of incorporation	Accounting method	Ownership interest held by group		Carrying Amount	
			As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
EESL EnergyPro Assets Limited*	United Kingdom	Equity Method	0.00%	80.00%	-	180.63
NEESL Private Limited	India	Equity Method	26.00%	0.00%	2.91	-

The joint ventures are unlisted and hence the quoted price are not available.

₹ in Lakhs

Summarised balance sheet	EESL EnergyPro Assets Limited*		NEESL Private Limited	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Current assets				
Cash and cash equivalents	-	5,241.13	**1.01**	-
Other assets	-	3,134.83	**639.53**	-
Total current assets	-	8,375.96	**640.54**	-
Total non-current assets	-	1,122.26	**-**	-
Current liabilities				
Financial liabilities (excluding trade payables)	-	4,431.52	**0.79**	-
Other liabilities	-	4,840.91	**628.55**	-
Total current liabilities	-	9,272.43	**629.34**	-
Non-current liabilities				
Financial liabilities (excluding trade payables)	-	-	**-**	-
Other liabilities	-	-	**-**	-
Total non-current liabilities	-	-	**-**	-
Net assets	-	225.79	**11.20**	-

₹ in Lakhs

Summarised statement of profit and loss	EESL EnergyPro Assets Limited*		NEESL Private Limited	
	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue	-	-	**565.28**	-
Interest income	-	-	**-**	-
Depreciation and amortisation	-	-	**-**	-
Interest expense	-	-	**(0.02)**	-
Income tax expense	-	-	**(3.54)**	-
Profit from continuing operations	-	(7.42)	**10.20**	-
Profit from discontinued operations	-	-	**-**	-
Profit for the year	-	(7.42)	**10.20**	-
Other comprehensive income	-	(3.09)	**-**	-
Total comprehensive income	-	(10.51)	**10.20**	-
Dividend received	-	-	-	-

₹ in Lakhs

Reconciliation of carrying amount	EESL EnergyPro Assets Limited*		NEESL Private Limited	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Opening net assets	-	236.30	**1.00**	-
Profit for the year	-	(7.42)	**10.20**	-
Other comprehensive income	-	(3.09)	**-**	-
Closing net assets	-	225.79	**11.20**	-
Group share in %	-	80.00%	**26.00%**	-
Group share in INR	-	180.63	**2.91**	-
Goodwill	-	-	**-**	-
Carrying amount	-	180.63	**2.91**	-

* EESL EnergyPro Assets Limited became a subsidiary of the Company with effect from 13 March 2018. Refer note 45 for business combination disclosure.

Details of significant restrictions

EESL EnergyPro Assets Limited:

There is a restriction on disposal of investment in EESL EnergyPro Assets Limited for three years from the date of agreement.

In the event of default of loan repayments of ICICI Bank, the bank may by notice stop it from making dividend payments to its shareholders including EESL.

NEESL Private Limited:

There is a restriction on disposal of investments in NEESL Private Limited until the expiry date or earlier termination of the last subsisting Supply, Installation, Operation and Maintenance Agreement entered into by NEESL Private Limited for implemention of developing an energy efficient public lighting system in the cities of Bhubaneswar, Cuttack, Berhampur, Rourkela and Sambalpur comprising of their respective municipal area as determined in accordance with the Orissa Municipal Corporation Act, 2003 in relation to the Project Public Street Lighting Points, on a public private partnership basis.

48 (a) The parent company has issued redeemable, taxable, non-cumulative, non-convertible bonds in the nature of debentures as follows:

₹ in Lakhs

Series	Secured/ Unsecured	Face value of each Bond	Total issue Size	Allotment Date	Security
Series-I	Secured	₹ 40,00,000/- each comprising of 2 STRPP of the value of ₹ 10,00,000/- each and 1 STRPP of the value of ₹ 20,00,000/-	50,000	20 September 2016	First pari-passu charge over moveable fixed assets of the parent Company with minimum asset coverage of 1.00 times
Series-II	Unsecured	Rs.10,00,000/- each	45,000	18 July 2017	Unsecured
Series-III	Unsecured	Rs.10,00,000/- each	20,000	10 January 2018	Unsecured
Series-IV	Unsecured	Rs.10,00,000/- each	12,500	29 January 2018	Unsecured

Bonds have been allotted and listed on the Bombay Stock Exchange (BSE). Proceeds of Bond issue have been utilized for the purpose mentioned in offer document.

(b) The parent company is creating Debenture Redemption Reserve (DRR) for Bonds issued @ 25% (as required by Companies (Share Capital and Debentures) Rules, 2014).

(c) The parent company raises funds through various sources including series of Non-Convertible Bond issue.

(d) As regards non-convertible Rupee denominated bonds:

Series	First Due Date of principal repayment	Next Due Date of Annual Interest
Series-I	20 March 2020	20 September 2018
Series-II	18 July 2022	18 July 2018
Series-III	10 February 2021	10 January 2019
Series-IV	28 May 2021	29 January 2019

49 Major Investments made during the year:

(i) The parent company has subscribed to 21,515,000 shares having Face Value of £1/- each in M/s. EESL Energypro Assets Limited in London, UK equivalent to 80% shares in Equity for GBP 21,515,000.00 (₹ 19,179.78 Lakhs). On 19 September 2018, the Company has decided to invest additional equity of GBP 8 million (₹ 7,625.52 Lakhs) in EPAL for further investment in Edina Power Services Limited through its wholly owned subsidiaries i.e., EPAL Holdings Limited and Edina Acquisition Limited.

(ii) The parent company's subsidiary Edina Acquisition Limited has purchased 100% equity and preference shares of Edina Power Services Limited for GBP 55,000,000 (₹ 49,954.58 Lakhs).

(iii) The Company's subsidiary EESL Energypro Assets Limited has invested USD 2.00 Million (₹ 1,308.53 Lakhs) out of total committed amount of USD 12.00 Million as limited partner in Maple Leaf Storage LPI, partnership firm.

(iv) The parent company has subscribed to 2600 shares having Face Value of ₹10/- each in M/s. NEESL Private Limited equivalent to 26% shares in Equity for ₹ 26,000.

(v) The parent company has made an advance payment of ₹ 89.21 Lakhs during the year towards the purchase of property at NBCC Center, Sahkar Marg, Jaipur for its Regional Office at Jaipur.

(vi) The parent company has also made an advance payment of ₹ 88.89 Lakhs during the year towards the purchase of Built up offices in NBCC Square, Action Area-III, Rajarhat, Kolkata.

(vii)The parent company has also made an advance payment of ₹ 1103.72 Lakhs towards the purchase of Built up offices in commercial complex, NBCC, Nauroji Nagar New Delhi.

50 Central Board of Direct Taxes on 31 March 2015 notified 10 ICDS vide Notification no. 32/2015 [F. No. 134/48/2010 – TPL]/ SO 892(E), which is applicable to all taxpayers (corporate and non-corporate) following mercantile method of accounting including nonresident taxpayers. It applies to income computed under the head Profit and Gains of Business and Profession and Income from Other Sources. However, there is no impact on computation of Book Profits for the purposes of MAT (Minimum Alternate Tax), which will continue to be governed by the methodology according to the Companies Act, 2013.

51 Reclassifications and comparative figures

Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements

As a result, certain line items have been reclassified in the statement of cash flows and notes to the financial statements, the details of which are as under:

Items of statement of cash flows before and after reclassification

₹ in Lakhs

Sl. No.	Particulars	Before reclassification	Reclassification	After reclassification
1	Finance costs - Cash flow from operating activities	3,681.33	1,497.97	5,179.30
	Acquisition of property, plant and equipment and intangible assets - Cash flow from investing activities	(38,395.81)	333.66	(38,062.15)
	Additions in capital work-in-progress - Cash flow from investing activities	(22,333.96)	421.66	(21,912.30)
	Finance costs - Cash flow from financing activities	(1,527.41)	(2,253.29)	(3,780.70)
2	Other bank balances - Cash flow from operating activities	(5,341.76)	5,341.76	-
	Bank balances other than cash and cash equivalents - Cash flow from investing activities	-	(5,341.76)	(5,341.76)

Items of notes to the financial statements before and after reclassification

₹ in Lakhs

Sl. No.	Particulars	Before reclassification	Reclassification	After reclassification
1	Interest income from deposits with banks - Note 30	-	1,440.11	1,440.11
	Interest income from others - Note 30	1,493.49	(1,440.11)	53.38
2	Salaries and wages - Note 32	1,806.27	(40.89)	1,765.38
	Leave encashment - Note 32	-	40.89	40.89
3	Miscellaneous expenses -Note 34	163.99	(59.08)	104.91
	Communication expenses - Note 34	-	22.42	22.42
	Recruitment expenses - Note 34	-	36.66	36.66

52 Recent accounting pronouncements

Standards issued but not yet effective:

Ind AS 115 'Revenue from Contracts with Customers

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

  The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018.The Group will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted. The Group is evaluating the requirements of the statement and the effect on the financial statements is being evaluated.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Group is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

For and on behalf of the Board of Directors

As per our audit report of even date annexed.

For VPGS & Co.
Chartered Accountants
FRN 507971C

Saurabh Kumar	**Renu Narang**	**Pooja Shukla**	**Gulshan Gaba**
Managing Director	Director Finance/CFO	Company Secretary	Partner
DIN : 06576793	DIN : 08070565		M. No. 088726

Place : New Delhi
Date : 10th December, 2018

Form AOC-1

Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2018, pursuant to Section 129 (3) of the Companies Act 2013

Part A - Subsidiaries

1	S. No.	1	2	3	4	5	6	7	8	9	10	11	12	13
2	Name of subsidiary	EESL EnergyPro Assets Limited	Anesco Energy Services South Ltd	Creighton Energy Limited	EPAL Holdings Limited	Edina Acquisition Limited	Edina Power Services Limited	Edina Limited	Edina UK Limited	Edina Australia Pty Limited	Armoura Holdings Limited	Stanbeck Limited	Edina Manufact-uring Limited	Edina Power Limited
3	The date since when subsidiary was acquired	13-Mar-18	13-Mar-18	13-Mar-18	13-Mar-18	13-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	17-Jan-17 to 31-Mar-18	1-Apr-17 to 31-Mar-18	1-Apr-17 to 31-Mar-18	21-Feb-18 to 31-Mar-18	21-Feb-18 to 31-Mar-18	1-Jan-17 t0 31-Mar-18	1-Jan-17 to 31-Mar-18	1-Jan-17 to 31-Mar-18	1-Jan-17 to 31-Mar-18	1-Jan-17 to 31-Mar-18	1-Jan-17 to 31-Mar-18	1-Jan-17 to 31-Mar-18	1-Jan-17 to 31-Mar-18
5	Reporting currency of foreign subsidiaries.	GBP	GBP	GBP	GBP	GBP	EURO	EURO	GBP	AUD$	EURO	EURO	GBP	GBP
	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	92.2846	92.2846	92.2846	92.2846	92.2846	80.6222	80.6222	92.2846	50.5868	80.6222	80.6222	92.2846	92.2846
6	Share capital	25,084.89	4,549.78	1,845.69	0.00	0.00	2,420.03	6,886.35	0.00	0.05	0.00	161.25	0.09	0.09
7	Reserves and surplus	(509.53)	(465.30)	(289.73)	(3.96)	(203.64)	955.13	376.44	4,922.81	(95.04)	94.16	(415.97)	23.19	666.62
8	Total assets	46,033.75	4,169.99	2,017.13	30,435.53	54,308.03	9,926.43	11,333.86	28,874.63	514.24	677.42	771.44	35.77	3,674.59
9	Total Liabilities	21,458.39	85.51	461.16	30,439.49	54,511.66	6,551.28	4,071.07	23,951.81	609.23	583.26	1,026.16	12.49	3,007.88
10	Investments	1,440.51	-	-	-	-	-	-	-	-	-	-	-	-
11	Turnover	112.45	329.49	102.82	-	-	-	15,379.61	92,226.50	644.56	13.99	38.64	5.96	12,441.85
12	Profit before taxation	(608.24)	128.17	4.83	(4.51)	(231.64)	85.75	(40.40)	1,680.51	2.44	(10.08)	(0.08)	8.96	517.26
13	Provision for taxation	138.76	7.68	17.13	0.86	44.01	2.74	(35.31)	(400.44)	-	(15.99)	(4.99)	9.03	(99.61)
14	Profit after taxation	(469.48)	135.85	21.95	(3.65)	(187.63)	88.49	(75.70)	1,280.07	2.44	(26.07)	(5.07)	17.99	417.65
15	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-
16	% of shareholding	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%

Note:

1 The above financial information is based upon audited financial statements of all above foreign subsidiares except Edina Australia Pty Limited whose unaudited financial statements/information as available were relied upon.

2 The figures which are appearing as '0.00' are result of rounding off.

3 Investments exclude investments in subsidiaries.

4 Share capital of Edina Power Services Limited includes preference share capital.

5 EESL EnergyPro Assets Limited was a joint venture of the parent company. It became a subsidiary with effect from 13 March 2018.

Part B - Associates and Joint Ventures

S. No.	Name of Joint venture	Date on which Joint Venture was associated or acquired	Latest audited balance sheet date	Shares of Joint Venture held by the company on the year end			Description of how there is joint control	Net Worth attributable to shareholders as per latest audited Balance Sheet	Profit / (loss) for the year ended March 31, 2018	
				Number of shares	Amount of Investment	Extent of holding			Considered in consolidation	Not considered in consolidation
1	NEESL Private Limited	12-Jul-17	31-Mar-18	2,600	0.26	26%	By virtue of shareholding	2.91	2.65	-

Note:

1 Amount of investment in joint venture is based on the carrying value of investments in the consolidated financial statements of Energy Efficiency Services Limited.

2 No subsidiaries or joint venture are yet to commence operations and no subsidiaries or joint venture have been liquidated or sold during the year. The Group does not have any associate.

ATTENDANCE SLIP

Venue of the Meeting:

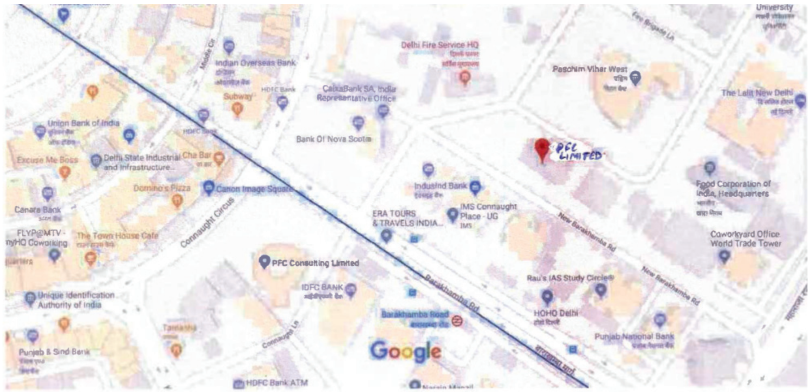
Date and Time: 28th December, 2018 at 01:00 p.m.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

Name of the Attending Member

*Folio No.	
DP ID No.	
Client ID No.	
No. of Shares Held	
Name of Proxy (to be filled in if the proxy attends instead of the member)	

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 9th Annual General Meeting of the Company on Friday, 28th December, 2018 at 01:00 p.m. at Power Finance Corporation Ltd. 'URJANIDHI', 1, Barakhamba Lane, Connaught Place, New Delhi - 110001.



Member's/Proxy's Signature

Energy Efficiency Services Limited

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Contad